

By Mr. FITZGERALD: Joint resolution (H. J. Res. 235) authorizing the Director General of Railroads to prepare and put immediately into operation a system of rates that will give proper service to the public and a reasonable dividend or protection to the investor; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROWNING: A bill (H. R. 10012) granting a pension to Grace Kavanagh; to the Committee on Pensions.

By Mr. COADY: A bill (H. R. 10013) granting a pension to Zora Schenkelberger; to the Committee on Pensions.

By Mr. CHRISTOPHERSON: A bill (H. R. 10014) granting a pension to Lydia Lenora Henson; to the Committee on Invalid Pensions.

By Mr. ESCH: A bill (H. R. 10015) granting a pension to Edith Payne Trimm; to the Committee on Pensions.

By Mr. FISHER: A bill (H. R. 10016) granting a pension to Abe Erlich; to the Committee on Pensions.

By Mr. HULL of Tennessee: A bill (H. R. 10017) granting an increase of pension to James N. Davis; to the Committee on Pensions.

By Mr. HUTCHINSON: A bill (H. R. 10018) granting an increase of pension to William Todd; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Kentucky: A bill (H. R. 10019) granting a pension to Margaret A. Jewell; to the Committee on Invalid Pensions.

By Mr. KAHN: A bill (H. R. 10020) for the relief of the dependents of Lieuts. Jean Jagou and Fernand Herbert, French military mission; to the Committee on Military Affairs.

By Mr. LAYTON: A bill (H. R. 10021) granting a pension to Thomas R. Henthorne; to the Committee on Invalid Pensions.

By Mr. MCKINLEY: A bill (H. R. 10022) granting a pension to Rush W. Burnside; to the Committee on Pensions.

By Mr. MASON: A bill (H. R. 10023) authorizing the President to award a congressional medal to Isabella Bosquette; to the Committee on Military Affairs.

Also, a bill (H. R. 10024) to authorize the Secretary of War to retire Julius Baron as a second lieutenant; to the Committee on Military Affairs.

By Mr. PAIGE: A bill (H. R. 10025) granting an increase of pension to Florence E. Handy; to the Committee on Invalid Pensions.

By Mr. PLATT: A bill (H. R. 10026) granting an increase of pension to Katherine Candee; to the Committee on Pensions.

Also, a bill (H. R. 10027) granting an increase of pension to John W. Scott; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 10028) granting a pension to Theodore S. Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10029) granting a pension to George R. Everhart; to the Committee on Pensions.

Also, a bill (H. R. 10030) granting a pension to Robert W. Koontz; to the Committee on Pensions.

Also, a bill (H. R. 10031) granting a pension to Elizabeth L. M. Miller; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petition of three citizens of Lamar, Mo., favoring the impeachment of Woodrow Wilson, President of the United States; to the Committee on the Judiciary.

By Mr. BURDICK: Resolutions adopted by mass meeting of citizens of Newport, R. I., urging the recall of foreign loans to Governments and objecting to further loans to Great Britain until she withdraws her armies of occupation from India, Egypt, and Ireland, and compels Japan to withdraw from Shantung and Korea; to the Committee on Foreign Affairs.

By Mr. CARSS (by request): Petition of the board of education of the city of Duluth, Minn., and of the Young Women's Christian Association of Duluth, Minn., favoring legislation to establish a Federal motion-picture commission; to the Committee on the Judiciary.

By Mr. COADY: Petition of sundry citizens of Maryland, favoring the passage of the bill recently passed by the Senate pensioning ex-members of the old United States Life-Saving Service who were disabled in service; to the Committee on Pensions.

By Mr. CLASSON: Petition of St. Paul's Evangelical Church, Oconto, Wis., denouncing lynching outrages; to the Committee on the Judiciary.

By Mr. ESCH: Petition of Michael Davitt Branch, Friends of Irish Freedom, urging Congress to recognize the Irish Republic; to the Committee on Foreign Affairs.

Also, petition of Wisconsin Circuit Court Clerks' Association, favoring amendment of section 10 of the naturalization laws so as to facilitate the naturalization of aliens; to the Committee on Immigration and Naturalization.

By Mr. KENNEDY of Rhode Island: Resolutions adopted by mass meeting of citizens of Newport, R. I., urging recall of foreign loans to Governments and objecting to further loans to Great Britain until she withdraws her armies of occupation from India, Egypt, and Ireland, and compels Japan to withdraw from Shantung and Korea; to the Committee on Foreign Affairs.

By Mr. MOON: Papers to accompany House bill 9999, granting an increase of pension to James B. King; to the Committee on Pensions.

By Mr. NOLAN: Petition of Angel City Court, No. 579, Court of Foresters, Los Angeles, Calif., protesting against the passage of the Smith-Towner bill; to the Committee on Education.

By Mr. TAYLOR of Tennessee: Petition of American Zinc, Lead & Smelting Co., of Mascot, Tenn., protesting against the passage of Senate bill 2896, regulating manufacture, storage, sale, purchase, and use of explosives and ingredients; to the Committee on the Judiciary.

SENATE.

SATURDAY, October 18, 1919.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we thank Thee for the abundant life that has a fullness of possibilities within it. A life of marvelous resources Thou hast put at our command. Thou dost call us with this life into the larger service of the world. We pray that obedient to the divine will, following the light along the pathway of human progress, we may toil onward and upward, ever accomplishing the purpose of God in us as a people. For Christ's sake. Amen.

The VICE PRESIDENT resumed the chair.

The Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hale	Norris	Smoot
Capper	Henderson	Nugent	Spencer
Chamberlain	Hitchcock	Overman	Sterling
Colt	Jones, Wash.	Page	Thomas
Culberson	Kenyon	Penrose	Trammell
Curtis	Kirby	Pittman	Wadsworth
Dial	McKellar	Sheppard	Walsh, Mont.
Dillingham	Nelson	Sherman	
Edge	New	Stimmons	
Fletcher	Newberry	Smith, Ga.	

Mr. CAPPER. I wish to announce that the Senator from North Dakota [Mr. GRONNA], the Senator from Oregon [Mr. McNARY], the senior Senator from Louisiana [Mr. RANSDELL], the Senator from Mississippi [Mr. HARRISON], the Senator from New Hampshire [Mr. KEYES], the junior Senator from Louisiana [Mr. GAY], and the Senator from Wyoming [Mr. KENDRICK] are absent in attendance at a meeting of the Committee on Agriculture and Forestry.

The VICE PRESIDENT. Thirty-eight Senators have answered to the roll call. There is not a quorum present. The Secretary will call the names of absent Senators.

The Secretary called the names of the absentees, and Mr. KING, Mr. LENROOT, Mr. PHIPPS, Mr. SUTHERLAND, and Mr. UNDERWOOD answered to their names when called.

Mr. GERRY, Mr. CUMMINS, Mr. STANLEY, Mr. ROBINSON, Mr. POMERENE, Mr. FERNALD, Mr. KELLOGG, Mr. LODGE, and Mr. POINDEXTER entered the Chamber and answered to their names.

Mr. SMOOT. I desire to announce that the Senator from New Mexico [Mr. FALL] and the Senator from Connecticut [Mr. BRANDEGEE] are absent holding a hearing on the Mexican situation.

Mr. PHELAN, Mr. TOWNSEND, Mr. McLEAN, and Mr. LA FOLLETTE entered the Chamber and answered to their names.

Mr. GERRY. I wish to announce that the Senator from South Dakota [Mr. JOHNSON] and the Senator from South Carolina [Mr. SMITH] are detained from the Senate by illness in their families. The Senator from Massachusetts [Mr. WALSH] is absent on account of the illness of a member of his family. The Senator from Oklahoma [Mr. OWEN], the Senator from Missouri [Mr. REED], and the Senator from Oklahoma [Mr. GORE] are absent on public business. The junior Senator from Louisiana [Mr. GAY], the junior Senator from Mississippi [Mr. HARRISON], the Senator from Wyoming [Mr. KENDRICK], the Senator from Montana [Mr. MYERS], the senior Senator from Louisiana [Mr. RANDELL], the Senator from Virginia [Mr. SWANSON], the senior Senator from Mississippi [Mr. WILLIAMS], and the Senator from Arizona [Mr. SMITH] are detained from the Senate on official business.

The VICE PRESIDENT. Fifty-six Senators have answered to the roll call. There is a quorum present.

ESTIMATE OF APPROPRIATION (S. DOC. NO. 138).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Treasury, transmitting a letter from the Secretary of the Interior, submitting a supplemental estimate of appropriation in the sum of \$222,000 required by the Interior Department for construction of buildings at the St. Elizabeths Hospital, District of Columbia, fiscal year 1920, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

PROMOTION OF FOREIGN COMMERCE.

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Secretary of the Treasury in response to Senate resolution 203, which will be inserted in the RECORD.

The communication is as follows:

TREASURY DEPARTMENT,
Washington, October 16, 1919.

To the PRESIDENT OF THE SENATE:

Sir: Responding to Senate resolution 203, requesting detailed statements of the character, amount, and estimate of the cost to the Government of the work of the International High Commission, together with such suggestions and recommendations as I may be able to make looking to the closer cooperation and coordination of the work of the commission with that of other agencies of the Government for the effective promotion of the foreign commerce of the United States, I beg to submit the following:

The International High Commission was established to give effect to the recommendations of the first Pan American financial conference, held in Washington May 23 to 29, 1915, under authorization of the Congress, given in the Diplomatic and Consular appropriation act approved March 4, 1915. The conference had been called in order that the ministers of finance and appropriate financial and commercial leaders of the American Republics might take counsel with the Secretary of the Treasury of the United States as to the best means of offsetting the damage done to inter-American commerce by the European War and of establishing closer commercial and financial relations between the several Republics. It was clearly obvious to those who took part in the conference that intermittent gatherings of any kind could not hope to accomplish as much along either of the lines indicated as a body permanently constituted and provided with an adequate procedure and an effective organization for frequent consultation on nontechnical matters requiring international cooperation. The structure suggested for such a body by the first Pan American financial conference met with the unanimous approval of the Governments invited to participate, and the Congress of the United States likewise sanctioned its establishment by public act No. 15, Sixty-fourth Congress, approved February 7, 1916; appended herewith. (Exhibit A.) The plan agreed upon called for a series of national sections, each composed of eminent jurists and financiers, operating under the chairmanship of the minister of finance. Each section was to have its own secretariat and to meet in separate session as often as the minister of finance would deem desirable. All the sections were to gather at such time and place and under such circumstances as the majority would determine. In fact, they did meet in Buenos Aires in April, 1916, under the chairmanship of the minister of finance of Argentina and devised a detailed program for their future work. They constituted as the directive and coordinating body of the entire commission three officers of the United States section, giving to this agency the name of central executive council. The United States section of the commission is at present composed of the following members, the first three of whom constitute the executive council:

Carter Glass, Secretary of the Treasury, chairman; John Bassett Moore, New York, vice chairman; L. S. Rowe, secretary general; John H. Fahy, Boston; Duncan U. Fletcher, United States Senator; Andrew J. Peters, mayor of Boston.
Samuel Untermyer, New York.
Paul M. Warburg, New York.
Dean John H. Wigmore, Northwestern University Law School, Chicago.

Herbert Fleishhacker, San Francisco.
The aims and objects of the commission since its meeting at Buenos Aires in 1916 have been, in a broad way, to give effect to the recommendations of the financial conference of 1915. It has taken a leading part in making effective the purposes of the International Trade-mark Convention of 1910, and has secured the establishment of the Trade-mark Registration Bureau at Habana. Upon the practical importance of that bureau in protecting the industrial property and good will of our manufacturers and exporters I need not dwell. The commission is not relaxing its efforts to bring into the trade-mark registration plan those of the seven countries which have not yet ratified the trade-mark convention, and we are confident that at a relatively early date the more important countries will have adhered.

The stabilizing of exchange and the avoidance of the risk and expense of the constant shipment of gold were the purpose of a convention providing for an international gold clearance fund, a copy

of which is attached as Exhibit B. This convention has been found acceptable in principle by a number of Governments and is in process of negotiation.

For many years past the heavy license fees required of commercial travelers by municipalities and provincial governments have been a serious obstacle to international commerce. At the first Pan American Financial Conference a convention was agreed upon the purpose of which was to eliminate the excessive levying of such license fees. This convention has been found acceptable by some 14 American Republics, a number of which have signed it, and with two of which it is now actually in effect. A copy thereof, together with memoranda explaining its purpose, will be found in Exhibit C.

The commission has undertaken to study the difficult problem of uniform statistical methods, and upon the recommendation of the Department of Commerce and other competent authorities in this field the United States section recommended the adoption of the international classification of merchandise for statistical purposes agreed upon at the International Congress of Statistics, at Brussels, in November, 1913. This simple schedule has been found acceptable by various Governments as at least constituting an approach toward uniform statistical methods. The council is now publishing in the Spanish language year by year the statistics of importation and exportation of the several Republics as furnished to its secretary general by the national sections. The Department of Commerce is publishing the English version of the figures for the United States. All values are given in the national currency of the country concerned and in a money of account upon which agreement was reached by the commission, taking one-fifth of the United States gold dollar as the unit. To this money of account the name *Panamericano* was given.

Close to the heart of the entire problem of progressive and uniform international and commercial law are the related problems of bills of exchange, checks, and other negotiable instruments. The commission early decided that The Hague rules on bills of exchange and on checks were much closer to the commercial law of the countries of civil-law traditions than could be the uniform negotiable instruments act of the United States. To reduce the slightly divergent systems of the various Republics to one harmonious standard set up beside the negotiable instruments act would at least constitute a genuine service and simplification of the problem. To this end the commission has devoted itself, and it is gratifying to be able to report that no less than five national congresses have at this time projects of law modifying their commercial codes with reference to bills of exchange in the direction proposed by The Hague conferences on that subject, while one country has lately enacted The Hague rules on checks in slightly modified form. To warehouse receipts and bills of lading the commission has given somewhat less attention, and urges the adoption of the respective United States uniform acts. With the problems of acceptances and conditional sales the commission is likewise concerned, and hopes to be able to recommend specific programs to the several Governments before much time shall have elapsed.

Without citing the other activities of the commission, but submitting instead a list of references in regard to its work (Exhibit D), I beg to urge upon the Senate the consideration that the commission provides a direct and uninterrupted agency for the exchange of ideas on technical and nondiplomatic problems. The simplicity as well as the elasticity of the organization of the International High Commission makes it possible for it to secure important results with a surprisingly small outlay, and I have no suggestions to offer as to further cooperation and coordination.

So far as concerns the appropriations made by the Congress of the United States I append (Exhibit E) a list of them, together with indications of the manner in which they were expended and an estimate of expenditures during the fiscal year 1920-21 to be made from the appropriation of \$30,000 for the maintenance of the commission, concerning which I shall make a recommendation in my annual report to be submitted to the Congress in December.

Closely related to the work of the commission and indeed absorbing the attention of all its sections at the present time is the second gathering of ministers of finance and representative commercial and financial leaders of the American Republics at Washington, January 12 to 17, 1920. Just as the first Pan American Financial Conference had largely an emergency purpose and was concerned with remedial measures, so the second Pan American Financial Conference will be concerned with reconstruction and with the establishment upon a broad basis of the best possible commercial and financial relations between the free Republics of this hemisphere. An appropriation to defray the expense of this conference was made by the Sixty-fourth Congress in Public Act No. 379, which provided \$50,000 to remain available until expended. To this conference it is expected that nearly all the ministers of finance will come, and a number of representatives of our own industrial and financial communities will be invited to join in discussing the problems of common interest and moment. The International High Commission will submit a detailed report of its activities to this conference.

I have the honor, sir, to remain,

Respectfully,

CARTER GLASS, Secretary.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by W. H. Overhue, one of its clerks, announced that the House had passed a bill (H. R. 4438) to provide for the promotion of vocational rehabilitation of persons disabled in industry, or otherwise, and their return to civil employment, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills and joint resolution, and they were thereupon signed by the Vice President:

S. 55. An act to authorize the Secretary of the Interior to adjust disputes or claims by entrymen, selectors, grantees, and patentees of the United States against the United States and between each other, arising from faulty surveys in townships 29 south, range 28 east; also in townships 36, 37, and 38 south, ranges 29 and 30 east, Tallahassee meridian; in the State of Florida, and for other purposes;

S. 794. An act granting lands for school purposes in Government town sites on reclamation projects; and

H. J. Res. 230. Joint resolution authorizing and directing the Secretary of Agriculture to prepare and issue a supplementary report on the condition of the cotton crop.

HOUSE BILL REFERRED.

H. R. 4438. An act to provide for the promotion of vocational rehabilitation of persons disabled in industry, or otherwise, and their return to civil employment, was read twice by its title and referred to the Committee on Educational Labor.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT presented a telegram in the nature of a resolution from District No. 17, United Mine Workers of America, of Charleston, W. Va., praying for a Federal investigation into conditions in the Guyan River field, West Virginia, which was referred to the Committee on Education and Labor.

Mr. CAPPER presented a petition of sundry citizens of Fall River, Kans., praying for aid from the United States in relieving conditions in Armenia, which was referred to the Committee on Foreign Relations.

Mr. TOWNSEND. I present for reading copies of two telegrams—one issued by the Finance Committee of the League to Enforce Peace, being a telegram sent to one of the leading manufacturers of the State of Michigan, and a copy of that manufacturer's answer.

The VICE PRESIDENT. In the absence of objection, the Secretary will read as requested.

The Secretary read as follows:

NEW YORK, N. Y., October 15.

CHAS. E. KOLB,
31 Garrison:

In this moral and political crisis League to Enforce Peace, William Howard Taft, president, A. Lawrence Lowell, chairman, has great and necessary responsibility of leading and securing expression of public demand for prompt ratification of the peace treaty and league of nations covenant without amendments and without reservations that would require resubmission of Paris conference or separate peace with Germany. Business uncertainty and industrial unrest will continue throughout the world until ratification starts life again in normal channels. Will you join others in contributing \$500 toward expenses of campaign?

HERBERT HOUSTON,
Treasurer.
GEO. WICKERSHAM,
VANCE MCCORMICK,
CLEVELAND DODGE,
OSCAR STRAUSS,

Finance Committee, Bush Terminal Sales Building.

BATTLE CREEK, MICH., October 16, 1919.

HERBERT HOUSTON,
Treasurer League to Enforce Peace,
Bush Terminal Sales Building, New York, N. Y.:

Not one cent. People in this neck of the woods now understand your work, and will stand for America first. Obviously, your message intends to frighten weak people to your support. Cease your bunk and be Americans.

CHAS. E. KOLB.

(Charge to Union Steam Pump Co.)

Mr. TOWNSEND. I ask for the printing in the RECORD of an article on the amendment which is known as the Johnson amendment to the treaty appearing in a Michigan newspaper, written by Benton Hanchett, one of the leading attorneys of the United States, a man whose reputation stands especially high wherever he is known.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GREAT BRITAIN'S SIX AND UNITED STATES' ONE VOTE IN LEAGUE OF NATIONS.

EDITOR THE NEWS COURIER:

The provisions of the league of nations by which in the working of the league Great Britain is to have six votes while the United States is to have only one vote are a matter of interest and of division among those who support the league without change of its terms, and those who support the league with a change or with reservations respecting some of its terms. President Wilson upon his speaking tour first met the objection of the inequality of the voting power of Great Britain and the United States by stating that this inequality existed only in the assembly of the league, which he said was only a debating society, and that the assembly does not vote, that the voting power of the members of the league is in the council of the league, where the voting power of Great Britain and of the United States is equal, each having one vote. This explanation of the President was disputed in a speech upon the league by Senator REED, of Missouri, and following this speech of Senator REED, the President, at his address at Pueblo, Colo.—reported in the New York Sun—said: "Now, you have heard of six votes belonging to Great Britain. Those six votes are not in the council;

they are in the assembly, and the interesting thing is that the assembly does not vote. I must qualify that statement a little, but essentially it is absolutely true."

The facts are these: The league provides in article 2 that the action of the league under this covenant shall be effected through the instrumentality of an assembly and of a council. The assembly may deal at its meeting with any matter within the sphere of action of the league or affecting the peace of the world. At meetings of the assembly each member of the league shall have one vote and may not have more than three representatives.

The original members of the league signing the league are 32 in number, among whom are Great Britain, Canada, Australia, South Africa, New Zealand, and India, each of which has a vote in the assembly, and they make up the six votes for Great Britain. The United States has a single member, having only one vote.

Article 4 provides that "the council shall consist of representatives of the principal allied and associated powers, together with four other members of the league. These four members of the league shall be selected by the assembly from time to time in its discretion." * * * With the approval of the majority of the assembly the council may name additional members of the league, whose representatives shall always be members of the council; the council with like approval—approval of a majority of the assembly—may increase the number of members of the league to be selected by the assembly for representation in the council." Article 1 provides that "any of the self-governing States, dominions, or colonies not named in the annex may become members of the league if admission is agreed to by two-thirds of the assembly." By article 5, "decisions at any meetings of the assembly or of the council will require agreement of all the members of the league represented at the meeting except where otherwise provided." It will be observed that by the above provisions the assembly by its vote is to determine these most important matters, viz:

1. The assembly may deal with any matter within the sphere of action of the league or affecting the peace of the world.

2. The assembly shall select from time to time, in its discretion, the four members of the council which, with representatives of the United States, Great Britain, France, Italy, and Japan (those being the allied and associated powers) are to constitute the council until the number of the members of the council shall be increased.

3. By approval of the assembly expressed by a majority vote of its members, the council may name additional members of the league whose representatives may be always members of the council. By this means the number of the members of the council may be increased.

4. By approval of the assembly expressed by a majority vote of its members the council may increase the number of the members of the league to be selected by the assembly for representatives in the council. By this method also the number of the members of the council may be increased.

5. By agreement of two-thirds of the assembly expressed by its vote any State, dominion, or colony may become a member of the league in addition to the 32 members of the league which have signed the league.

In all of the above action of the assembly Great Britain will have six votes and the United States only one vote.

6. In the selection of the first four members of the council to make up the full membership of the council, which selection is to be made by the assembly from time to time, the members so selected, up to the full number of the four, may be representatives of Canada, Australia, South Africa, New Zealand, and India. In this manner Great Britain may obtain in the council votes up to the number of five, while the United States can in no case have more than one vote in the council.

7. As the members of the council from time to time may be increased, Great Britain may acquire in the council up to the full number of votes which it has in the assembly, by election to the council of representatives of Great Britain's above-named self-governing dominions, while the United States must remain always the possessor of its one vote in the council.

The question whether representatives of Canada and other self-governing dominions of the British Empire may be elected to the council has been answered to the inquiry made by Mr. Borden, prime minister of Canada, upon that precise subject, by the following letter of President Wilson, Lloyd-George and Clemenceau, viz:

The question having been raised as to the meaning of article 4 of the league of nations covenant, we have been requested by Sir Robert Borden to state whether we concur in his view that upon the true construction of the first and second paragraph of the article representatives of self-governing dominions of the British Empire may be selected or named as

members of the council, we have no hesitation in expressing our entire concurrence in this view. If there were any doubt it would be entirely removed by the fact that the articles are not subject to a narrow or technical construction.

G. CLEMENCEAU.
WOODROW WILSON.
D. LLOYD-GEORGE.

Here is a statement by the very men who framed the league of nations that representatives of Canada, Australia, South Africa, New Zealand, and India, which are the self-governing dominions of the British Empire, may be selected as members of the council. This being true, Great Britain then may have and may obtain the same number of votes in the council which it has in the assembly, viz, six for Great Britain, while the United States has one. The question here is not what will be done under the league, but what its terms provide for and what may be done under it, and it is so plain that "he who runs may read" that within the terms and provisions of the league, in both assembly and council, Great Britain may have six votes to the United States' one vote, and that thus in every matter which may come before the league Great Britain may have six times the voice and power of the United States.

Again, under article 15 of the league, Great Britain will have six votes, and the United States one vote only, in disposing of and deciding questions of the utmost importance which come before the league. By this article whenever there shall "arise between members of the league any dispute likely to lead to a rupture which is not submitted to arbitration, as above, the members of the league agree that they will submit it to the council. * * * The council shall endeavor to effect a settlement of any dispute. * * * The council may in any case under this article refer the dispute to the assembly, and the dispute shall be so referred at the request of either party to the dispute." The reference to the assembly is for the purpose of having the assembly settle the dispute. This settlement is to be accomplished by bringing to bear upon the parties to the dispute the personal influence of the members of the assembly, their arguments, their advice, their weight of character, and by the weight of the interest in the dispute which the nation has whose members take part in seeking to secure the terms by which the dispute will be settled. Suppose the dispute were between China and Japan concerning the return of Shantung to China. Is there any doubt that Japan would have the dispute referred to the assembly, depending upon and expecting to have the influence of the six voices and six votes of Great Britain on its side in securing such terms as would be acceptable to Japan, Great Britain having already by treaty with Japan committed itself to the interest of Japan in returning Shantung to China? Here may be six advocates for Great Britain laboring for Japan and one advocate of the United States advocating for China. If in any case the settlement is not arrived at by the efforts of the assembly, it then remains for the parties to the dispute to fight it out in their own way. If a settlement is made, and the making of such settlement is one of the most important powers for which the assembly is created, it will be made upon the terms arranged solely by action of the assembly. The report of the settlement is to be made by the assembly to the council and the assembly. If the report of the settlement is concurred in by the members of the council and by a majority of the members of the league the settlement will stand and the dispute be at an end (the representatives of the parties to the dispute not voting). The council and the members of the assembly upon this report of the settlement being made can not amend or change it. They have no power over it other than to approve it or disapprove it. If the members of the council disapprove of it the settlement goes for naught, and the parties are then again left to fight it out in their own way.

The precise point is this: That every such dispute may be brought before the assembly. If a settlement of it is made, that settlement and its terms are the work of the assembly alone. In the work of the settlement Great Britain perhaps speaks and argues by Lloyd-George, prime minister of England; Robert Borden, prime minister of Canada; Mr. Hughes, prime minister of Australia; Gen. Smuts, prime minister of South Africa; the prime minister of New Zealand; and India's best man, and the United States, perhaps, by Col. E. M. House.

The writer has no unfriendliness toward Great Britain or toward its self-governing dominions, but in the "matching of minds," in the making of the terms of the league of nations, he deeply feels that the United States of America has met a Waterloo defeat.

BENTON HANCHETT.

Mr. PENROSE. I present to the Senate and ask to have read the communication which I send to the desk.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

PENNSYLVANIA DIVISION,
SONS OF VETERANS, U. S. A.,
Philadelphia, October 17, 1919.

HON. BOISE PENROSE,

United States Senate, Washington, D. C.

DEAR SENATOR: I inclose you copy of letter which speaks for itself.

Fraternally,

W. B. McNULTY,
Division Secretary.

PENNSYLVANIA DIVISION,
SONS OF VETERANS, U. S. A.,
Philadelphia, October 16, 1919.

MR. TOM JONES MEEK,

National Extension Building, New York City.

DEAR SIR: The Sons of Veterans, United States of America, association of Philadelphia unanimously oppose the present treaty and league of nations because we believe that our Nation is not protected, especially in our control of the Monroe doctrine and our internal questions. We decline absolutely to agree to any control of our Army and Navy by any other authority except Congress. We are in favor of peace, but not at the cost of surrendering any of our rights.

We understand that the President and Congress are in favor of a league that will end war for all time; in fact, all our people seem to agree to this proposition. The President informs the Nation that we are amply protected in every way, and that fact is so clearly understood by the other nations that it is not necessary to make amendments or reservations by which to safeguard our interests, but as soon as he is asked to have this part of the written agreement he objects because it would require, as he claims, submitting the whole contract to the nations interested and intimates that it would kill the whole proposition. His statements are contradictory and inconsistent, and we fail to understand where there can be any objection to placing in the league of nations covenant amendments and reservations in accordance with his statements. We have not heard any statement from the other nations to the effect that what the President has told the American people is correct, and strange silence seems to prevail on this matter in Great Britain, France, Italy, and Japan. We can not understand why there should be objections to inserting in this agreement the President's statements about our protection, especially if it is a fact that the other nations agree to the safeguards as stated by the President.

We oppose the Shantung feature of the treaty. We consider it dishonorable to agree to the giving of any part of a friendly country, especially one of our allies, to another nation. We should not sanction any secret treaty entered into by other nations to transfer from an enemy territory taken by compulsion from a friendly power, even to give it to one of our allies; it would be national dishonor to do so and a violation of the 14 points as enunciated by our President.

All the eloquence of any speaker that you could send us would be of no avail unless he could show us some better reason than the President has advanced for a refusal to place in the treaty the safeguards mentioned.

Respectfully,

W. B. McNULTY,
Secretary Sons of Veterans Association
of Philadelphia.

Mr. PENROSE. Mr. President, I merely wish to add that this organization which is called the Sons of Veterans is composed of the sons of the veterans of the Civil War. It is a very active and numerous society in Philadelphia, and is a very patriotic body, active in all patriotic movements. The senior Senator from Kansas [Mr. CURTIS] is a member of the Sons of Veterans in his State, and so is the senior Senator from Washington [Mr. JONES] a member of that organization in his State. I think that both of these Senators have been to Philadelphia and have honored this organization by being with them and addressing them on the occasion of their annual banquet.

Mr. SHERMAN. I present a petition from certain constituents of mine in Barry, Ill., in reference to the league of nations, which I ask may be printed in the Record without reading.

There being no objection, the petition was ordered to be printed in the Record, as follows:

Senator SHERMAN,
United States Senate, Washington, D. C.

BARRY, ILL., September 30, 1919.

DEAR SIR: Your constituents here, who are not biased by partisan sentiment, wish the United States Senate to guard the interests and nationality of the United States above everything else.

The Monroe doctrine must be left operable in its full strength; we must retain the right to decide our own questions on immigration, the tariff, the strength of our own Army and Navy, and all other questions affecting ourselves as a Nation.

We must be masters of our own fate as we have been in the past. We decline to place ourselves or our children in a position to be drafted by Europe to settle their everlasting embroglio of racial, political, or religious hatreds. Our fathers came here to get away from that.

Washington warned us to keep free from entangling alliances, and his words hold true to-day.

Therefore, as 100 per cent Americans, we demand continued unfettered national existence, and hereby pledge anew our undying allegiance to our own country and our own flag.

Mr. SHERMAN. I have another petition, from 300 clergymen of the Methodist Episcopal Church, of the Rock River conference, asking me to vote for the league of nations treaty without amendment or reservation. I decline to present such a petition. I have answered the petitioners by mail to-day, telling them that if they do not know more about the plan of salvation than they do about the league of nations their congregations need new spiritual guides.

Mr. STERLING. Mr. President, as somewhat offsetting what the Senator from Illinois [Mr. SHERMAN] has just said in regard to the attitude of the Methodist clergymen in his State, I send to the desk and ask to have read an editorial from the Aberdeen (S. Dak.) News, with regard to the attitude of the Methodists of South Dakota.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

METHODISTS SPEAK UP.

"The Dakota conference of the Methodist Episcopal Church, in session at Mitchell last week, declared in favor of amendments and reservations to the league of nations covenant, to properly safeguard the American Constitution and the Monroe doctrine. The bishops of the Episcopal Church, in session at Detroit last week, voted down a declaration in favor of the covenant in its present form, for a modified indorsement of the plan. The Mitchell Republican, published in the hostess city of the Methodist Episcopal conference, has been bitter in its attacks upon Senators favoring reservations and amendments to the covenant, and has not hesitated to accuse them of ulterior motives in their opposition. It has insisted that from 75 to 85 per cent of the people of South Dakota are in favor of the covenant as the President presented it to the Senate. The Methodist Episcopal Church is the largest religious denomination in South Dakota. The resolution concerning the pact was adopted by a conference consisting of the ministers from every charge in the State and from lay delegates elected from the membership of each charge. It was a representative body, and both the clergymen and the lay delegates are in close and intimate touch with the people all over the Commonwealth. They know what South Dakotans are thinking about. They are thoughtful, intelligent men themselves, and they have given the matter of the covenant for the league of nations, the provisions contained in the original document, and the amendments and reservations offered in the Senate considerable thought, as all genuine Americans should. And they have reached the conclusion that the covenant needs fixing before ratification."

Mr. SMOOT. Mr. President, up to this time I have not asked that a letter or telegram be inserted in the RECORD either for or against the league of nations; but this morning I have a letter from an ex-Member of the Senate to which I desire to direct the attention of the Senate. The League to Enforce Peace has been very active in my State in requesting citizens there to telegraph to me to vote for the league of nations as it has been written, without reservation or amendment. From the letter referred to I see that the League to Enforce Peace has changed its tactics, and, instead of pleading with citizens or requesting them, are now demanding that they telegraph their Senators. The letter received by me this morning is from ex-Senator Joseph L. Rawlins, and I am going to read it into the RECORD. It is as follows:

MY DEAR SENATOR: I am this morning in receipt of an urgent telegraphic request from the League to Enforce Peace, not that I request but that I demand that you immediately vote for the league of nations. Of course, I know you to be entirely capable of forming your own judgment as to the merits of this measure and that you will act accordingly; but, as for myself and those with whom I come in contact, I wish to say for your information that we should be greatly gratified if you can bring about with your vote the defeat of this measure so detrimental, in our judgment, to the liberties and the welfare of the American people.

I presume there is not a Senator in this body but that knows who Joseph L. Rawlins is. He served six years in the Senate upon the Democratic side, and is just as loyal an American as ever lived.

I will simply add, Mr. President, that if this letter had not come from an ex-Member of this body I would not have thought

of breaking the rule I have followed by asking that it be published in the RECORD in connection with the consideration of the league of nations covenant.

Mr. HITCHCOCK. Mr. President, inasmuch as the Senator from Utah has broken his rule, I ask to have read from the desk an editorial from the Evening Tribune, of Davenport, Iowa.

The VICE PRESIDENT. Is there any objection? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

[From the Evening Tribune.]

"SOUND IRISH SENTIMENT."

"The Evening Tribune takes pleasure in republishing the following resolution adopted by Division No. 1 of the Ancient Order of Hibernians in Davenport, because they tally so completely with its own notion of how Irish self-determination is to be brought about:

"Believing that the just demands of the Irish people for self-determination, independent government, until admitted by Europe, threatens to disturb the peace and good understanding and friendly relations between the nations and peoples of the world—with or without a league of nations—and believing that the league of nations, as proposed in the covenant and treaty submitted by President Wilson to the United States Senate, offers the best if not the only practical means of compelling England to grant to Ireland the God-given rights of independence and freedom: Therefore be it

"Resolved, That we favor the league of nations as the greatest forward step for world peace, its adoption the greatest self-serving contribution of the United States to the human race for the relief of oppressed people everywhere, and the best hope for the freedom and independence of Ireland. We respectfully ask our Senators to aid in its speedy ratification.

"It is so plain, if the world is to go ahead in the old way, that the smaller peoples will more than ever be under the shadow or under the wing of their more powerful neighbors, that everybody ought to see it without argument. For their more powerful neighbors are going to be watchful of every element of weakness as never before. Not to go away from home for illustration, the United States is going to be much more watchful of its immediate neighbors if we go ahead in the old jealousies and old rivalries.

"The only hope of the smaller peoples is in an ordered world, where everybody is sworn to keep the peace and to help enforce the law. The beginning of dawn will be for them just when the world is banded together in some effective way to protect rights of life and property and to secure liberty the world over.

"The Evening Tribune would congratulate the Davenport Hibernians on seeing so clearly just where Ireland's future lies. Every American of Irish descent and every American of Irish sympathies should be for the league of nations with all the might that is in him."

Mr. WILLIAMS. Mr. President, I ask permission to have inserted in the RECORD a resolution with regard to the Armenian question passed by the Near East Relief Society by a unanimous vote.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

"Whereas from authenticated sources comes the statement that there are at least 100,000 Christian and Jewish girls and women held captive in the harems of the Turks, Kurds, and Arabs within the domain of the former Ottoman Empire, forced to live in suffering and degradation often far worse than death; and

"Whereas the Near East Relief, chartered by act of Congress, has inaugurated rescue work for the care of the escaped victims of this tragedy and urgently invites the women of America to rise and free and protect the women of Armenia, the hope of their Nation: Therefore be it

"Resolved by the representatives and guests of the Near East Relief in convention assembled in New York this 15th day of October, 1919, That our Government, as the servant of humanity, be requested to take such measures as will give immediate protection to American relief workers and American property and to the stricken people whatever temporary protection is necessary until such time as they can themselves protect their womanhood and home and establish themselves among the free peoples of the earth."

SUGAR SHORTAGE.

Mr. FLETCHER. Mr. President, on an entirely different subject, but a very practical and important subject to all of the people, I wish to tender a communication from a firm of wholesale dealers in groceries, produce, meats, and so forth, a very responsible firm of Jacksonville, Fla., C. W. Zaring & Co., rather in the nature of a petition. It begins by saying:

We are out of sugar in this market and can not get it—

And then proceeds to make some suggestions. I ask to have the communication printed in the RECORD.

There being no objection, the communication was ordered to be printed in the RECORD, as follows:

Hon. D. U. FLEISHER,
Washington, D. C.

JACKSONVILLE, FLA., October 16, 1919.

DEAR SIR: We are out of sugar in this market and can not get it. The Louisiana people will not name a price for shipment next month, when their sugar is ready, and intimate that the price for the cheaper grade of sugar will run 13 to 14 cents per pound f. o. b. shipping point, or approximately 4½ to 5 cents more than we have been paying for the good eastern granulated sugar.

Why is it that people who will take such an advantage can not be regulated? We think Congress should take immediate action and place Louisiana under the Equalization Board, extending the time and powers of this board. Immediate action should be taken or these people will obtain any price that they see fit to ask for their sugar. We notice the beet-sugar people are putting refined beet sugar on the market at 10½ cents, and Louisiana should not be allowed any more than that for their refined sugar, with the proper differentials for the lower grade.

Can not you get immediate action on this?

Yours, very truly,

C. W. ZARING & Co.,
C. W. ZARING, President.

THE LEAGUE OF NATIONS.

Mr. PITTMAN. I have some resolutions from the woman's committee for the league of nations and other citizens of Reno, Nev., signed by the chairman and members of the committee. I ask to have them read, omitting the signatures.

The VICE PRESIDENT. Is there any objection? The Chair hears none.

The Secretary read the resolutions.

Mr. PITTMAN. I should like to have the signatures printed in the RECORD.

The VICE PRESIDENT. Is there any objection? The Chair hears none.

The resolutions, together with the signatures, are as follows:

"Believing that the United States should enter the league of nations, which aims to promote international cooperation and to achieve international peace and security;

"Recognizing that the covenant of the league of nations can not be separated from the peace treaty, since the latter was founded on the assumption that the league of nations would be formed;

"Believing that delay on the part of the United States Senate to ratify the peace treaty will seriously jeopardize the peace of the world:

"We, the woman's committee for the league of nations, and other citizens of Reno, Nev., do most earnestly urge the United States Senate to ratify the treaty of peace, including the covenant, without reservation or amendment, as soon as it is submitted for ratification.

"(Signed) Mrs. R. D. Eichelberger, chairman, Colonial Hotel, Reno, Nev.; J. E. Church, jr., Mrs. J. E. Church, jr., Mrs. Brewster Adams, N. E. Wilson, B. N. Curtis, R. C. Thompson, Mrs. R. C. Thompson, Mrs. B. N. Curtis, Wayne B. Adams, Brewster Adams, Victor Cokefair, Mrs. P. P. Humphrey, George H. Hopkins, George W. Sears, H. P. Boardman, G. B. Blair, Maxwell Adams, L. W. Hartman, Albert E. Hill, Mrs. H. D. Sanborn, Mrs. Rudolph Herz, Clara P. Angell, Mrs. A. R. Ratcliff, Mrs. C. S. Meacham, Mrs. F. G. Pressell, Mrs. S. C. Dinsmore."

Mr. THOMAS. Mr. President, I simply wish to suggest, if this experience meeting is over, that we proceed with the regular order.

Mr. BRANDEGEE. Some Senators have had the pleasure of having their experiences, but I should like the courtesy of a brief minute of experience.

Mr. THOMAS. I withdraw the suggestion, Mr. President. I supposed the meeting was over.

Mr. BRANDEGEE. Of course, every morning there is a battle of telegrams here pro and con.

The VICE PRESIDENT. They become a part of the morning business by custom.

THE SYRIAN MANDATE.

Mr. BRANDEGEE. Inasmuch as the Senator in the management of the treaty has just had an article read from the desk, I send to the desk a copy of the London Daily News of September 5, which gives just a squint at the kaleidoscopic situation existing in Asia Minor. I ask that it may be read.

The VICE PRESIDENT. Is there any objection?

Mr. JONES of New Mexico. Mr. President, a parliamentary inquiry. What is the order of business?

The VICE PRESIDENT. The presentation of petitions and memorials, and, for a number of weeks past, letters, telegrams, editorials, newspaper clippings, and so forth.

Mr. JONES of New Mexico. I ask for the regular order.

The VICE PRESIDENT. The Senator from Connecticut asks for the reading of the article referred to by him. [Putting the question.] The ayes have it, and the Secretary will read as requested.

The Secretary read as follows:

"The Syrian problem, after degenerating into one of the few jests of the peace conference, is now playing a more serious and sinister part. The press of the capital is no infallible guide to the trend of French opinion generally, but enough has been written in the last week by responsible papers in Paris to make it clear that what is happening in Syria is creating the possibility of serious friction between this country and France. The position with regard to Syria is simple. Under the relevant clauses of an agreement signed by Sir Edward Grey and M. Cambon in 1916 the Turkish provinces in Asia were to be so divided as to give France the Syrian seaboard, with Lesser Armenia and the Vilayet of Adana, while Great Britain acquired Lower Mesopotamia and certain rights over Haifa and Jaffa. The intervening territory was to consist of independent Arab States; Palestine becoming a protectorate under the joint suzerainty of Russia, France, and Great Britain. The complaint of France is that Great Britain, not content with securing the mandate for Mesopotamia and establishing herself in a predominant position in the new Arabian State ruled over by the King of the Hedjaz, is insisting on occupying Syria with her own troops and denying the justice of the French claim to a mandate over that region. That statement needs elaboration to cover the full facts, but as an explanation of the present discontent it is adequate.

"On that discontent there are two observations to be made. One is that it unquestionably exists, and the other that it ought not to be allowed to exist. France is laboring under a sense of grievance which can not be dismissed as entirely unjust. For the 1916 secret agreement there is nothing to be said. Under article 20 of the covenant of the league of nations, which both France and Great Britain have signed, is must plainly be abrogated. But, agreement or no agreement, this country has come singularly well out of the war in the East. We have become mandatories of one of the richest territories in the world—Mesopotamia. We have declared a protectorate over Egypt, and succeeded in warding off all suggestions of our becoming mandatories instead of suzerains of that country. We have established ourselves behind the back of the league of nations in a position of exclusive privilege in Persia. We have taken the credit and are reaping the advantages of the creation of the Kingdom of the Hedjaz and allowed the Emir Feisal to be walked round Paris by a British officer with the maximum of political indiscretion. In view of the traditional interest of France in Syria, it is not astonishing that our reluctance to recognize her claim to a Syrian mandate has provoked some warmth both of feeling and expression.

"The real difficulty of the situation lies not on the surface but far below it. The whole position of the mandate question is eminently unsatisfactory. Mandates are being apportioned by the allied delegates at Paris without any reference to the league of nations or any pretense of consulting the peoples concerned as to their choice of their new masters. As long ago as 1917 Mr. Lloyd-George said even of the German colonies in Africa that 'when you come to settle who shall be the trustees of these uncivilized lands you must take into account the sentiments of the people themselves.' If that admirable principle is to be applied to native Africans, it is much more applicable to the former subjects of the Turkish Empire in Asia. However that may be, it is our business to put ourselves right with France over Syria by declaring unequivocally and publicly that we have no intention of adding to our own responsibilities in that region and no thought of putting any impediment in the way of the grant of a Syrian mandate to France, provided that solution is agreeable to the population itself."

Mr. BRANDEGEE. Mr. President, it appears from that article that the British press is boasting and gloating over the position in which Great Britain has established herself. I read in the Washington Post of this morning an article, which I have not at my desk, giving the speech of some noted British statesman, in which he expressed the view that it was our plain duty to help out the poor Turks, now that the Turkish Empire was in a bad way, and that we ought to go to their rescue. On this side of the ocean we are being besieged with petitions to go to the rescue of the Armenians and save them from the poor Turks, whom the British want us to protect. Between the Armenians and the Turks and the other friends of freedom in Asia Minor and elsewhere, I think we have all we can do if we can only find out which sect of these tribes we are to be the guardians of; but we are given no information upon that point as yet, and I suppose it is comparatively immaterial.

REPORTS OF COMMITTEES.

Mr. CURTIS, from the Committee on Indian Affairs, to which was referred the bill (S. 157) authorizing the Indian tribes and individual Indians, or any of them, residing in the State of Washington and west of the summit of the Cascade Mountains to submit to the Court of Claims certain claims growing out of treaties and otherwise, reported it with an amendment and submitted a report (No. 270) thereon.

He also, from the same committee, to which was referred the bill (S. 3115) authorizing the Secretary of the Interior to correct an error in an Indian allotment, reported it without amendment and submitted a report (No. 271) thereon.

Mr. CAPPER, from the Committee on Military Affairs, to which was referred the bill (S. 2934) for the relief of the Leavenworth Bridge Co., of Leavenworth, Kans., asked to be discharged from its further consideration and that it be referred to the Committee on Claims, which was agreed to.

Mr. WADSWORTH, from the Committee on Military Affairs, to which was referred the bill (S. 3224) relating to the creation in the Army of the United States of the grade of lieutenant general, reported it without amendment and submitted a report (No. 268) thereon.

He also, from the same committee, to which was referred the bill (S. 3239) to amend the Army appropriation act for 1920, so as to authorize travel allowances to persons discharged from disciplinary barracks and other places of confinement other than honorably, and for other purposes, reported it with an amendment and submitted a report (No. 269) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HENDERSON:

A bill (S. 3250) for the relief of William Gaston Hall; to the Committee on Military Affairs.

By Mr. SHEPPARD:

A bill (S. 3251) granting longevity pay from and including August 5, 1917, to certain officers and enlisted men; and

A bill (S. 3252) to amend an act entitled "An act to provide quarters or commutation thereof to commissioned officers in certain cases; to the Committee on Military Affairs.

By Mr. SHERMAN:

A bill (S. 3253) to authorize the widening of Georgia Avenue between Fairmont Street and Gresham Place NW.; to the Committee on the District of Columbia.

By Mr. NEW:

A bill (S. 3254) to amend the national defense act of June 3, 1916, making it unlawful for any person to wear the uniform of the United States Army, Navy, Marine Corps, or Coast Guard while participating in a riot, mob, or public disturbance; to the Committee on Military Affairs.

By Mr. McKELLAR:

A bill (S. 3255) for the relief of the Shelby Medical College, of Nashville, Tenn.; to the Committee on Claims.

By Mr. JONES of New Mexico:

A bill (S. 3256) for the relief of private owners of land within or near the Carson or Santa Fe National Forests, N. Mex.; to the Committee on Agriculture and Forestry.

By Mr. WADSWORTH:

A bill (S. 3257) relating to the disposition of funds accumulated by tactical divisions of the Army or the units thereof, as well as other organizations of the Army which were created from National Guard units; to the Committee on Military Affairs.

By Mr. UNDERWOOD:

A bill (S. 3258) for the purchase of a site and erection of a public building at Marion, Ala.; to the Committee on Public Buildings and Grounds.

ROBERT A. MINOR.

Mr. KING. I offer a resolution and ask for its immediate consideration.

The resolution (S. Res. 216) was read, considered by unanimous consent, and agreed to, as follows:

Whereas the Senate on the 31st day of July last agreed to and adopted the following resolution:

"Resolved, That the Secretary of War report to the Senate whether or not Robert A. Minor, an American citizen, accredited as a war correspondent in the military zone in France, was arrested by military authorities of the American Expeditionary Forces for circulating seditious publications and propaganda among the soldiers of the American Expeditionary Forces, or for any other cause, and that if said Minor was arrested as aforesaid to report to the Senate the particular nature of the charges upon which he was arrested, and whether or not said Minor has been discharged from custody, and the reason therefor, if such action was taken"; and

Whereas the Senate on the 10th day of October, instant:

"Resolved, That the Secretary of War is directed to forthwith report to the Senate on the matter referred to him by said resolution of July 31, ultimo"; and

Whereas the Secretary of War has made no report to the Senate in the premises: Therefore be it

Resolved, That the Committee on the Judiciary is authorized and directed to make full investigation of the matter set forth in said resolution of the 31st of July, ultimo, and report its findings to the Senate, and for this purpose to summon such witnesses and documents as may be necessary.

THE IRISH QUESTION.

Mr. WALSH of Montana. Mr. President, I ask that Senate resolution 215 be laid before the Senate.

The VICE PRESIDENT. The Chair lays before the Senate a resolution, coming over from a preceding day, which will be read.

The Secretary read Senate resolution 215, submitted yesterday by Mr. WALSH of Montana, as follows:

Whereas by the treaty between Germany on the one side and the allied and associated powers on the other, signed at Versailles the 28th day of June, A. D. 1919, it is provided that the same will come into force between the powers ratifying the same upon the deposit of ratifications by Germany and three of the said allied and associated powers; and

Whereas the said treaty has now been ratified by Germany and by three of the said powers, to wit, France, Great Britain, and Italy, and will be in effect between the said powers and the other signatories to the said treaty that have ratified the same upon the formal issuance of the procès-verbal reciting the ratifications aforesaid; and

Whereas by virtue of the said treaty the league of nations will thereupon come into being and be authorized to entertain representations in accordance with article 11 of the covenant for the league of nations, as follows:

"It is also declared to be the friendly right of each member of the league to bring to the attention of the assembly or of the council any circumstance whatever affecting international relations which threatens to disturb either international peace or the good understanding between nations upon which peace depends"; and

Whereas the amicable relations between Great Britain and the United States are continually imperiled by controversies over the Government of Ireland: Now, therefore, be it

Resolved, That it is the sense of the Senate that whenever the United States becomes a member of the said league of nations by ratification of the said treaty or otherwise, the Government of the United States should present to the council or the assembly of the league the state of affairs in Ireland and the right of its people to self-government.

Mr. THOMAS. Is it the intention of the Senator from Montana to press the resolution this morning?

Mr. WALSH of Montana. That is my intention.

Mr. THOMAS. It is a very important matter, and I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gerry	McKellar	Smith, Ga.
Bankhead	Hale	Nelson	Smoot
Beckham	Harris	New	Spencer
Brandagee	Henderson	Newberry	Sterling
Capper	Hitchcock	Nugent	Sutherland
Chamberlain	Jones, N. Mex.	Overman	Swanson
Colt	Jones, Wash.	Page	Thomas
Cummins	Kellogg	Penrose	Trammell
Curtis	King	Phelan	Underwood
Dial	Kirby	Pittman	Wadsworth
Dillingham	La Follette	Poindestex	Walsh, Mont.
Edge	Lenroot	Pomerene	Warren
Fernald	Lodge	Robinson	
Fletcher	McCumber	Sheppard	

Mr. CURTIS. I desire to announce the absence on official business of the Senator from North Dakota [Mr. GRONNA], the Senator from Wyoming [Mr. KENDRICK], the Senator from Louisiana [Mr. GAY], the Senator from Nebraska [Mr. NORRIS], the Senator from New Hampshire [Mr. KEYES], and the Senator from Oregon [Mr. McNARY].

Mr. GERRY. The Senator from Louisiana [Mr. GAY], the Senator from Mississippi [Mr. HARRISON], the Senator from Wyoming [Mr. KENDRICK], the Senator from Montana [Mr. MYERS], the Senator from Louisiana [Mr. RANSDELL], and the Senator from North Carolina [Mr. SIMMONS] are absent on official business. The Senator from Maryland [Mr. SMITH], the senior Senator from Oklahoma [Mr. GORE], the Senator from Missouri [Mr. REED], the junior Senator from Oklahoma [Mr. OWEN], and the Senator from Delaware [Mr. WOLCOTT] are detained from the Senate on public business.

The VICE PRESIDENT. Fifty-four Senators have answered to the roll call. There is a quorum present.

Mr. WALSH of Montana. Mr. President, I ask for the reading again of so much of the resolution as asks for action by the Senate, namely, the last paragraph of the preamble and the resolution itself.

The Secretary read as follows:

Whereas the amicable relations between Great Britain and the United States are continually imperiled by controversies over the government of Ireland: Now, therefore, be it

Resolved, That it is the sense of the Senate that whenever the United States becomes a member of the said league of nations by ratification of the said treaty or otherwise, the Government of the United States should present to the council or the assembly of the league the state of affairs in Ireland and the right of its people to self-government.

Mr. WALSH of Montana. Mr. President, the resolution recites article 11 of the covenant of the league of nations, which is the foundation for the action which the resolution contemplates shall be taken. That article reads as follows, in part:

It is also declared to be the friendly right of each member of the league to bring to the attention of the assembly or of the council any circumstance whatever affecting international relations which threatens to disturb international peace or the good understanding between nations upon which peace depends.

It will be recalled that while the peace conference was in session a great assemblage of citizens of this country met at the city of Philadelphia, and as a result of that meeting a deputation was sent to Versailles seeking an opportunity itself to be heard in behalf of the cause of Irish independence or seeking to secure a hearing for the representatives of the embryonic Irish republic. The view was taken apparently that only nations having established governments, recognized by the various governments of the world, were entitled to be heard by their representatives at that gathering, but provision was made in the covenant for the league of nations for a hearing for peoples claiming the right of self-government. Prominent among these people of the earth, and perhaps most conspicuous among all of them, are the people of Ireland. I have seized the first opportunity to present this method of securing a hearing for the people of Ireland in their struggle for self-government.

Mr. PENROSE. Mr. President, may I ask the Senator a question?

Mr. WALSH of Montana. I shall be glad to answer, if I can.

Mr. PENROSE. Would not the cause of Ireland have a much better chance if the United States had six delegates instead of one in the conference?

Mr. WALSH of Montana. I do not think so.

Mr. PENROSE. Does the Senator think Ireland stands a better show with Great Britain having six votes and the United States one?

Mr. WALSH of Montana. Of course, that is entirely aside from the matter to which I am addressing myself; but I have no objection whatever to being diverted for a moment to say to the Senator that in a matter of this character no action by the council will result. It is simply affording a forum before which the cause of Ireland can be presented, but if there were a vote it would make no difference whether the United States had 6 votes or 600 votes, inasmuch as, in order to secure action, there would have to be a unanimous vote.

Mr. PENROSE. But there would be a certain consolation in having six votes anyway.

Mr. WALSH of Montana. I have answered the question of the Senator. I do not propose to let him interject a speech into the midst of mine.

Mr. President, upon this general subject I made some remarks in the course of an address delivered before the Senate on the 28th day of July. I do not desire, nor do I intend, to take up much time of the Senate this morning in a discussion of the matter, and for brevity I read from the address then delivered, as follows:

"The sympathy of the people of this country, as stated, goes out spontaneously to every submerged nationality aspiring to an independent life. But there are abundant reasons why that sympathy is particularly keen in the case of the Irish. It is not alone that there are in this country at least 20,000,000 of Irish birth or Irish ancestry, whose desire as American citizens to preserve peace between the United States and the British Empire is forever at war with the feeling engendered by the story of the impartial historian of British misrule in Ireland and barbarous oppression of the Irish. The feeling of kinship dates back to the days of our own struggle for independence. The very fight that was being waged here culminating in the break was at the time in progress in Ireland. It had its parliament as each of the American Colonies had its legislature or assembly. British statesmen asserted the right of the Parliament of Great Britain to tax Ireland and generally to regulate its affairs exactly as they contended it had the right to impose whatever burdens it thought fit upon the American Colonies. The right thus asserted had been exercised so freely and harshly as to be grievously repressive of Irish industry and to drive the so-called Scotch-Irish in great numbers to America, while the penal laws, which Montesquieu declared 'could have been made only by devils and should be registered only in hell,' caused their Catholic brethren to seek the same asylum. Swift, Flood, and Grattan had successively led Irish opinion in protest against the same usurpations with reference to Ireland of which the American patriots complained. Franklin visited Dublin on the eve of the outbreak, before independence was seriously contemplated, to confer with Irish leaders over common wrongs. The Continental Congress, assembled speedily after the engagement at Lexington, on July

28, 1775, adopted an address to the people of Ireland in justification of the course of the Colonies, in which their official representatives said:

"Accept our most grateful acknowledgments for the friendly disposition you have always shown toward us. We know that you are not without your grievances. We sympathize with you in your distress * * * and we acknowledge, with pleasure and gratitude, that your nation has produced patriots who have nobly distinguished themselves in the cause of humanity and America."

"The struggle against the pretensions of the British Parliament to 'legislate in all cases whatsoever' throughout the Empire went on contemporaneously in Ireland and in America, each being mutually helpful to the other. Beset by enemies at home and abroad, Spain having recently become a participant in the war, the English Parliament, by an act passed in 1782, recognized, in effect, Grattan's contention 'that his most excellent majesty, by and with the advice and consent of the lords and commons of Ireland, are the only power competent to enact laws to bind Ireland.' The negotiations for peace with America were even then pending, and Greene says that—

"The grant of independence to the one great dependency made it easier to recognize the freedom of the other."

"The substantial independence of Ireland thus gained was of short duration, however. In the year 1800, during the ministry of the younger Pitt, the Irish Parliament, in which, it may be remarked, no Roman Catholic was eligible to membership or permitted to sit, upon the solicitation of the British ministry, passed the so-called act of union, by which it ceased to exist and the power to legislate for Ireland passed to the Parliament sitting in London. The historian last referred to—a standard English writer, bear in mind—tells us that the assent of the perfidious Irish representatives was 'bought with a million in money and with a liberal distribution of pensions and peerages,' and he adds that 'base and shameless as were such means, Pitt may fairly plead that they were the only means by which the bill for the union could have been passed.' From that day to this the agitation has gone on to undo the work thus consummated."

I then gave a brief account of the agitation which has been carried on from that day to this, and then spoke as follows:

"We hastened to express to them our sympathy when we were fellow sufferers and felt in need of their moral support in our resistance to alien rule. Why should we not now express the hope that is general, if not universal, in this country that they may soon realize their hope of a government of their own choice? We have earned the right to speak at least with the frankness of a friend to Great Britain, remembering that but two short years ago her representatives were here, virtually confessing defeat in the war and frantically appealing to us to hasten into the fray, lest all should be lost before our aid could be made effective."

"We have earned the right to say to her that her treatment of Ireland is a constant menace to the amity we are desirous of preserving unimpaired between the two countries."

"There is not a controversy that arises between them, however trivial in fact, the seriousness of which is not magnified by reason of the irritating factor of Ireland's wrongs. Some day an inconsequential blaze may be fanned into a conflagration. Should any dispute with Britain ever arise upon which the people of the United States are otherwise nearly evenly divided, it is scarcely disputable that our citizens of Irish blood would be found massed against a peaceful settlement not because they are willing to involve this country in the horrors of another world war with the sole object of securing independence for Ireland but because they would approach the consideration of the question from the standpoint of American interest and honor, with an inherited prejudice against Britain, which, unfortunately, recent action and inaction touching Ireland have done little to eradicate."

"I join in the assertion that there is no people and no nation to which the principle of self-determination is more distinctly applicable than to the Irish people and Ireland. It is refreshing to note that the peril in which our relations to Great Britain stand from the cause to which I have adverted is being recognized by her statesmen and publicists."

"In a recent address Gen. Smuts said that the most pressing of all questions before the Empire is the Irish question, and he added:

"It has become a chronic wound whose septic effects are spreading to our whole system, and through its influence on America is beginning to poison our most vital foreign relations. * * * Unless it is settled on the great principles which form the basis of this Empire must cease to exist."

"In one of a series of letters recently appearing in the London Times, reproduced in American journals, advocating the immedi-

ate grant of dominion home rule to Ireland, is this significant comment:

"At the center of the Empire is the weakness of the Irish quarrel. It is felt at its farthest confines: it hampers our foreign policy; it is an open breach for our enemies. The British people can not afford to wait. A disease which restricts action can not afford to wait."

"If we have no duty in the premises we may with entire propriety say to Great Britain that we are looking to her promptly to apply the principle of self-determination, announced by President Wilson and indorsed by her in her hour of extremity, to Ireland."

Mr. President, I am glad I was interrupted by the question addressed to me by the Senator from Pennsylvania [Mr. PENROSE], because it gives me an opportunity to emphasize the fact that under article 11 nothing further is contemplated than that the cause of Ireland, her right to self-government, to a government of the choice of her own people, may be presented to the league of nations, either to the council or the assembly, and in that way to the whole world.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. WALSH of Montana. I yield.

Mr. LENROOT. I should like to ask the Senator whether he believes one nation presenting to the council of the league of nations the question of depriving another of a portion of its territory and political independence is carrying out the contract of that nation under article 10 to respect and preserve the political independence and territorial integrity of that nation?

Mr. WALSH of Montana. I see no reason why it is not. I see no inconsistency whatever between article 10 and article 11. Article 10 simply guarantees that we undertake to respect and preserve the territorial integrity and political independence as against external aggression. That is all. If there is an internal uprising in which any people outside are interested, those people are forbidden, under article 10, to resort to war to express their ideas concerning the matter—

Mr. LENROOT. Mr. President—

Mr. WALSH of Montana. But they have an opportunity possibly to express their views under article 11. I yield to the Senator from Wisconsin.

Mr. PENROSE. Mr. President—

Mr. WALSH of Montana. I have yielded to the Senator from Wisconsin.

Mr. LENROOT. I should like to correct the Senator in one particular. It is not alone external aggression, but threat of external aggression.

Mr. WALSH of Montana. Yes.

Mr. LENROOT. I should like to ask the Senator, under his construction of article 11, if a dispute is taken jurisdiction of by the council, if there, by unanimous action, they do anything at all toward securing the freedom of Ireland, would it not be a threat of external aggression?

Mr. WALSH of Montana. Will the Senator kindly repeat his question?

Mr. LENROOT. Article 10, as the Senator knows, is not alone external aggression, but the threat of external aggression. If an appeal is made to the council or the league under article 11 to secure the freedom of Ireland, and the council acts unanimously for that purpose, does not that constitute a threat of external aggression?

Mr. WALSH of Montana. Not in any sense whatever. External aggression has a clear meaning in article 10; it means the making of war by one country or one nation upon another nation.

Mr. LENROOT. I should like to ask the Senator another question. If, under article 11, jurisdiction can be taken of the Irish question, can not like jurisdiction be taken of the immigration question in this country, the tariff question, or almost any other domestic question?

Mr. WALSH of Montana. The situation to which the Senator refers is taken care of, as he well knows, in another provision, which provides that if the objection is raised that any question is a domestic matter the league takes no action.

Mr. LENROOT. Then does the Senator take the position that if Great Britain should raise the point that the Irish question is a domestic question they could not take jurisdiction under article 11?

Mr. WALSH of Montana. They could not take jurisdiction at all. I thought I made that pretty clear. Perhaps I may repeat myself about the matter.

The language of article 10, to which the Senator refers, is very specific. It does not deny jurisdiction over any question. If the league finds that a question is domestic, it does not act in the matter at all. I have endeavored to explain with respect to this question that it is not action by the league at all that is expected or anticipated in this matter.

It simply affords a forum before which the cause can be presented. In its preparation the covenant was particularly guarded so that there should be no opportunity for a decision in a matter of this character, and very wisely so, because if the cause of Ireland could be presented to the council or to the assembly and the council or assembly could decide in one particular way and take action in favor of Irish independence, like the Holy Alliance, they could take action against Irish independence; in other words, the whole question would be submitted to their action and determination and they would be obliged to govern themselves accordingly and to suppress the efforts of people to establish their independence. It was intended that the council should have no such power; but the covenant, as I have stated, simply affords a forum before which oppressed people anywhere upon the earth may go and have their cause heard before the whole world.

Mr. LENROOT. Why is there not a like forum for the question of immigration? The Senator from Montana in reply to me stated in answer to that inquiry that that was taken care of by the provision relating to domestic questions. I should like to have the Senator show how, if that provision applies to prevent immigration, coming under the terms of article 11, it does not also apply to prevent the Irish question coming under article 11.

Mr. WALSH of Montana. I also dealt with that when I previously spoke on this subject. In my own view the Irish question—the question of Irish independence—is not a purely domestic question. I quoted from Gen. Smuts here to indicate that it is quite a different thing from a purely domestic question. He says that it poisons their entire system and affects their foreign relations and particularly their relations with America, giving to it an international aspect as well as a domestic aspect.

Mr. LENROOT. But does the Senator—

Mr. WALSH of Montana. If the Senator will pardon me, I have also called the attention of the Senator to the fact that when Cuba endeavored to establish her independence our Government declined to recognize that that was a purely domestic question within the dominion of the Kingdom of Spain. Inasmuch as it affected so directly the lives of our own people, we chose to regard it as an international problem.

Mr. LENROOT. The same reasoning would make the question of Japanese immigration with the United States an international question and not solely a domestic question.

Mr. WALSH of Montana. Well, suppose that should follow; the council could not do anything about it.

Mr. LENROOT. I understand; but I wanted to get the Senator's view as to whether under article 11 the council could take jurisdiction of immigration into this country. He now says it could not, as I understand.

Mr. WALSH of Montana. Wait a moment. It is not a question of jurisdiction. I have not the slightest doubt in the world that the Japanese representative before the council of the league of nations may stand up any time he sees fit and talk as long as the rules of that body will permit him to talk on racial equality. Does the Senator doubt it?

Mr. LENROOT. No.

Mr. WALSH of Montana. Very well.

Mr. LENROOT. But that is not the proposition. Can the council take jurisdiction and make a recommendation?

Mr. WALSH of Montana. It can not. It is a domestic question.

Mr. LENROOT. It is not any more so than is the Irish question.

Mr. WALSH of Montana. Yes; I think it is a little more so; but even if it were not I do not assert—I think I have made myself perfectly clear—that there can be any recommendation concerning the Irish question.

Mr. LENROOT. But the Senator from Montana just stated that in the case of the Cuban situation we declined to recognize it as a purely domestic question. Japan could likewise refuse to recognize the question of Japanese emigration to the United States as being a domestic question, and, by the Senator's reasoning, the council would take full jurisdiction of Japanese immigration under the terms of article 11.

Mr. WALSH of Montana. Of course, the Senator from Wisconsin may reason that way, but I do not.

Mr. President, this resolution is not offered in any spirit of hostility to the British Empire or to England. It is offered in the hope that an irritating factor in the relations that subsist between these two great Governments may be removed; and I hope it will be speedily removed. I have no doubt the overwhelming sentiment of the people of this country is in favor of granting to the Irish an opportunity at least to present their cause before a world forum.

Mr. POINDEXTER. Mr. President, the Senator from Montana [Mr. WALSH] has stated that the league of nations would not be debarrd from the consideration of the question which he has presented by his resolution so far as article 10 of the covenant is concerned, because that article limits the obligations of the members of the league to respect and to preserve the territorial integrity and the existing political independence of all members of the league only against external aggression. Consequently the Senator replies that, so far as the consideration of this question is concerned, it can be presented to the league, notwithstanding article 10.

The question is presented by the Senator from Montana in a resolution in the Senate of the United States affecting the political independence of Great Britain to control a part of the Kingdom of Great Britain and Ireland. I fail to see how the Senator can escape the conclusion that that is an external aggression. It looks to me very much as though the United States were external to Great Britain, and certainly the act of the Senator from Montana this morning in bringing up his resolution here is an external attack upon the territorial integrity of Great Britain if the question of Irish independence of Great Britain is involved. The Senator can not escape that conclusion.

The consequence will be that immediately, as soon as the procès-verbal is filed and the league goes into effect, we shall have a case whereby, on account of the action of the Senator from Montana in attacking the political independence of Great Britain and menacing her territorial integrity, the league will go into operation to bring to bear upon the United States all possible economic pressure, authority to exercise which is vested in the league by the covenant.

The first thing we know we may find that, under article 16 and other articles of the league covenant, the great nations of Europe will sever "all trade or financial relations" with the United States, prohibiting "all intercourse" between citizens of the United States and citizens of other nations and undertake to prevent "all financial, commercial, or personal intercourse between the nationals of the covenant-breaking State and the nationals of any other State, whether a member of the league or not," because of the breach of international law by the action of the United States Senate in undertaking to interfere in the domestic affairs of Great Britain.

The Senator from Montana says also that this matter can be presented to the league, but that the league will have no power of decision; that even though it were not regarded as a domestic question but were regarded as an international dispute of which the league clearly has jurisdiction, no decision could be rendered; and that even if a decision could be rendered, the existence of six votes on behalf of Great Britain would be no disadvantage to Ireland; that Ireland would be in just as favorable a situation, this matter being presented under a covenant in which the United States has one vote and Great Britain has six votes, as if it were presented to a league in which the United States had 100 votes.

I have never been able to follow the reasoning of the Senator from Montana and other advocates of the league who picture the services which have been rendered by Canada and Australia in this war as a reason for giving them votes in the league and putting them upon an equality with the independent and sovereign nations of the world when in the same argument they claim that those votes are not of any value.

The fact of the case is, whatever the motives and purposes of the Senator from Montana in introducing this resolution may have been, that it is perfectly empty, perfectly meaningless, and worthless in so far as any benefit which might possibly accrue to Ireland is concerned.

If the intention of the Senator from Montana is to create the impression among the Irish voters of the United States that he is doing them or Ireland a service by presenting this resolution and having this question taken up by the league of nations, in which Great Britain and her colonies, constituting the British Empire, have six votes, I do not think that he will deceive them into believing that there is anything substantial in that service. The Senator from Montana says that the six votes of Great Britain will be of no material effect in the consideration of such a question presented to the league. Let us see whether they will or not.

Mr. WALSH of Montana. Mr. President, I should like—

The PRESIDING OFFICER (Mr. WADSWORTH in the chair). Does the Senator from Washington yield to the Senator from Montana?

Mr. POINDEXTER. I yield to the Senator.

Mr. WALSH of Montana. I should like to interrupt the Senator. The Senator from Montana has no purpose on earth of endeavoring to deceive the Irish people or anybody else.

Mr. POINDEXTER. I did not intend, Mr. President—

Mr. WALSH of Montana. The Senator from Montana appreciates their good will very much, but beyond that it is a matter of indifference to him how they regard him or the resolution. The Senator from Montana introduced the resolution in the hope, as it is expressed therein, that an irritating factor in our relations with Great Britain would be removed. I claim the credit for simple honesty in the introduction of the resolution.

Mr. POINDEXTER. It is not my purpose to impute any ulterior purpose or any purpose upon the part of the Senator from Montana to deceive the Irish people. The purpose of my statement was to indicate that if the Irish people expected any benefit to come to them from any action under the resolution which has been introduced by the Senator from Montana, they would be grievously disappointed, and that the Senator from Montana would be grievously disappointed if he really thinks any benefit would come to the Irish people from any action that could be taken under this resolution.

Mr. PENROSE. Mr. President—

Mr. POINDEXTER. I yield to the Senator from Pennsylvania.

Mr. PENROSE. Mr. President, on this point I do not want to interrupt the Senator from Washington; I only want to observe that the Irish people have been accustomed for 100 years or more to be buncoed and gold-bricked. The recent invitation to hold a constitutional convention has come to be so looked upon by Ireland, and that is the reason why the Irish are so incensed—because they have not been dealt with fairly and candidly. The crowning and most insolent effort to bunco the Irish is this resolution of the Senator from Montana. His belated enthusiasm for the cause of Ireland was only in evidence on yesterday. I should like to ask him what show Ireland would have with six hostile delegates from the British Empire, and perchance a statesman like the Senator from Mississippi appointed to represent the American Government as the crowning distinction of his illustrious career.

Mr. WALSH of Montana. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Montana?

Mr. POINDEXTER. I decline to yield further at this time. I will yield to the Senator in a few moments.

A few days ago the Senator from North Dakota [Mr. McCUMBER], speaking of this same position of predominance of Great Britain in the league of nations by reason of having six votes, made somewhat the same argument that has been made by the President and by the Senator from Montana and other advocates of the league—that is, that these great self-governing colonies, on account of their heroic sacrifices in the war, are entitled to recognition; and he then followed the same course that they all will follow by coupling that with the assertion that although these votes were given to them as a reward for their sacrifices in the war they were of no benefit to them—a sort of a hollow pretense of a reward for the sacrifices that they have made. The Senator from North Dakota said:

Mr. President, almost every argument made on the floor of the Senate, and every one without exception made to the public by Senators opposed to any league of nations, has given the impression to the people of the world that the council or the assembly, as the case might be, is a sort of court or tribunal that decides the disputes between nations, and it is because of these misstatements of the facts and the misapprehension of many of our people arising therefrom that the ground is made fertile for the development of about all the animosities toward this league and especially toward the claimed voting power of Great Britain. I have no doubt the letter read by my colleague [Mr. GROESBECK] this morning from the State of North Dakota was entirely founded upon that general misapprehension.

I wish the public could just once fully understand, first, that not one case of dispute out of a hundred would ever go to the council or assembly; second, that even if all other efforts provided for the settlement of disputes should fail, the only thing submitted to the council or assembly is the right to investigate and report the facts to the public.

The same assertion has been made by the leading advocates of the league, those who are chiefly responsible for its formulation and presentation to the world—that this body in which Great Britain has six votes to our one, which the Senator from Montana now asks shall take jurisdiction of the Irish question, is a mere debating society and has no authority to decide anything. The Senator from North Dakota says that only one case out of one hundred would ever go before it.

Let us see what the plain provisions of the league covenant are on that subject.

Article 15 of this covenant provides:

If there should arise between members of the league any dispute likely to lead to a rupture, which is not submitted to arbitration in accordance with article 13, the members of the league agree that they will submit the matter to the council. Any party to the dispute may effect such submission by giving notice of the existence of the dispute to the secretary general, who will make all necessary arrangements for a full investigation and consideration thereof.

For this purpose the parties to the dispute will communicate to the secretary general, as promptly as possible, statements of their case with all the relevant facts and papers, and the council may forthwith direct the publication thereof.

The council shall endeavor to effect a settlement of the dispute, and if such efforts are successful, a statement shall be made public giving such facts and explanations regarding the dispute and the terms of settlement thereof as the council may deem appropriate.

If the dispute is not thus settled, the council either unanimously or by a majority vote shall make and publish a report containing a statement of the facts of the dispute and the recommendations which are deemed just and proper in regard thereto.

Then it proceeds as follows in relation to the assembly, in which Great Britain not only has 6 votes to our 1 but in which she has 18 delegates to our 3 sitting in this assembly. Although there are only 6 votes upon the part of Great Britain and 1 upon the part of the United States, there are 18 delegates upon the part of Great Britain and 3 upon the part of the United States.

If the council fails to reach a report which is unanimously agreed to by the members thereof, other than the representatives of one or more of the parties to the dispute, the Members of the League reserve to themselves the right to take such action as they shall consider necessary for the maintenance of right and justice.

If the dispute between the parties is claimed by one of them, and is found by the council to arise out of a matter which by international law is solely within the domestic jurisdiction of that party, the council shall so report, and shall make no recommendation as to its settlement.

The council may in any case under this article refer the dispute to the assembly. The dispute shall be so referred at the request of either party to the dispute, provided that such request be made within 14 days after the submission of the dispute to the council.

From what I have read, this fact is indisputable, because this language is so plain that it is not capable of ambiguity of construction: That any dispute whatever between two nations that is likely to lead to a rupture—and every dispute which is of any importance is likely to lead to a rupture—which has not been otherwise settled, whether it is claimed by one of the parties to relate to a domestic question or not, may, as a matter of right upon the part of either one of the disputants, be taken into the assembly—not the council, but the assembly—and there it is. The action which the assembly shall take has been defined in the language of the covenant which I have just read.

There has been a great deal of assertion that the result of that action of the council would be merely—I think the President made that statement two or three times in the recent speeches that he has made—to postpone any military action or act of war upon the part of either one of the disputants for a period of nine months. That has been asserted over and over again. Under article 12 it is provided:

The members of the league agree that if there should arise between them any dispute likely to lead to a rupture they will submit the matter either to arbitration or to inquiry by the council, and they agree in no case to resort to war until three months after the award by the arbitrators or the report by the council.

In any case under this article the award of the arbitrators shall be made within a reasonable time, and the report of the council shall be made within six months after the submission of the dispute.

So that allowing six months within which the council is to make its report and the three months after that—what is called the "cooling-off period"—there are at least nine months in which neither one of the disputants can go to war if they keep their obligations under this covenant which we are asked to ratify; and it has been repeated over and over again that that was the extent of the limitation upon the sovereign right of a nation to take up arms in defense of its institutions or its citizens that was contained in this league. It seems to have been a deliberate attempt, because the people who have been making this argument are familiar with the instrument to leave out of consideration altogether in the discussion of this question—and I think it is the most vital one in the covenant—this language that is contained in article 15.

It does not say anything about nine months as the period within which a nation's hands shall be stayed by the obligation which it has assumed under this league before it will be able to take action in the defense of some vital right of the nation.

If a report by the council is unanimously agreed to by the members thereof other than the representatives of one or more of the parties to the dispute, the members of the league agree that they will not go to war with any party to the dispute which complies with the recommendations of the report.

The same obligation applies in case of decisions by the assembly, which are determined by a majority vote, under the conditions already stated.

There is not any limitation upon the obligation. They will not go to war, not within three months or within six months or within one year, but never. If this instrument is ratified and this Nation becomes a member of the league, a dispute about some question in Montana, perhaps, may come before it. If the league is going to take jurisdiction of such a question as the Irish question, it may take jurisdiction of the claim of citizens of Montana that their comrades have been hung without trial. One man was hung by the neck from a trestle out there because he was trying to create sedition or insurrection, and great numbers of his friends claimed that they had been denied

their constitutional rights. That is no more of a domestic question than the Irish question is. They might go before this league, and, if we follow the lead of the Senator from Montana, it will be decided in a tribunal in which we have no vote at all, because we would be one of the interested parties; the British Empire would have six votes; and we would be compelled to accept whatever decision the assembly might make for the settlement of that or any other question which they chose to assume jurisdiction of, the discretion being vested in that tribunal to determine whether it was purely domestic or whether it was of such a character as affected the interests of the world, as the Senator says we decided in the case of Cuba when we took jurisdiction of it as an international matter.

When it is decided, so far from being merely advisory it is absolutely binding, because we have committed ourselves never to take up arms to vindicate our position in the matter. There is no other way in which a nation can assert its rights, when it comes to a dispute over a vital matter with another nation that is decided by a great international tribunal. If we bind ourselves that we will commit no act of war against our antagonist in that controversy who accepts the decision of the league, then the decision becomes final and binding.

That is the advisory character of the assembly, which it is said has no jurisdiction except to talk; and upon that interpretation of it we are asked to ratify this instrument. That is the sort of information that has been given to the public as to the nature of this central tribunal for the decision of world questions and of the foreign relations of all of the members of the league which we are asked to ratify.

I thought, Mr. President, it was an opportune time to call attention to the nature of the power of the assembly of the league of nations, which, if we are to believe the Senator from Montana, can take up and consider, and once taking up and considering, will finally determine under its own jurisdiction even such questions as the integrity of the British Empire or the right of the United States to govern its various dependencies.

Mr. President, a great deal has been said to the effect that immigration is a domestic question, and as such could not be considered by the league.

Immigration is a matter which concerns the movement of the nationals of one nation from their own country into another country. From immemorial times that of necessity has been the subject of international treaties. It could not have been the subject of international treaties unless it was an international question. The dispute between two nations about the respective rights of their nationals is an international dispute. Does any Senator who looks upon this matter with impartiality—does the Senator from Montana, who is interested in the question of immigration to the Pacific coast, doubt that if the question should be presented by Japan to the assembly, where they have a right to go, of the right of her subjects to settle in the United States under the laws of the United States, a dispute which is not merely academic, but which is concrete and actually existing, that the assembly would deny that that was an international dispute? It is bound to be an international dispute if it is a dispute between two nations, and it is perfectly evident that each nation in the case I am mentioning has a substantial interest in it.

Mr. WALSH of Montana. Mr. President—

Mr. POINDEXTER. Then it goes to the assembly of the league of nations, and when that assembly decides the question Great Britain would be there with her 18 delegates for consultation and for advice and for influence, with her 6 votes against the 1 vote of the United States. However, the United States would have no vote in such a case as that. Does the Senator doubt that when the assembly decided a case one of the parties to which was a nation that was not only an ally of Great Britain in this war but a general ally under a treaty of alliance between the two nations, the decision of the assembly would be forever binding upon the United States? How could we resist it after we have obligated ourselves that we will not go to war against our antagonist in any such dispute?

Mr. WALSH of Montana. Mr. President—

Mr. POINDEXTER. I yield to the Senator from Montana.

Mr. WALSH of Montana. I understood the Senator to address a question to the Senator from Montana, which I shall be very glad to answer. I think the Senator from Washington has rendered a service in calling attention to the binding character of a decision by the assembly. I say to him with perfect frankness, if any question should be presented to the assembly, any dispute in which the United States is interested, and the United States should insist that the question was one of domestic concern purely, and therefore that the assembly, consisting of at least one and possibly three representatives from every nation being a member of the league, should decide

against the United States and hold that the question is one of international import and not purely domestic, and thus take jurisdiction of the matter and reach a conclusion unanimously against the United States, so that a determination would be made, I should like to have the world understand that under those circumstances the United States binds itself that it will not go to war. In other words, whenever all the nations of the earth, gathered together, decide and determine a dispute between the United States and another nation and unanimously agree that the United States is in the wrong, I should like to have the world understand that we have obligated ourselves not to go to war.

Mr. POINDEXTER. I am very glad the Senator has made that statement.

Mr. WALSH of Montana. Let me state further—

Mr. POINDEXTER. I decline to yield further. That makes the matter quite clear. That is very different from the President's view of this matter and the views of the Senator from North Dakota [Mr. McCUMBER], which I have just read, and the views of all the other advocates of the league whose expressions I have so far heard.

Mr. WALSH of Montana. Mr. President—

Mr. POINDEXTER. I will yield in a moment. I would like to comment on what the Senator has just said. Their attitude has been that the assembly of the league was merely a conciliatory body, that it could merely debate and make recommendations, and that those recommendations, when reports were made, were merely advisory. The Senator from Montana, if I correctly understand him now, admits—an admission which it seems to me is merely a recognition of the plain language of the covenant—that the United States in such a case, by ratifying this covenant binds itself in advance that it would not go to war against the decision of the assembly.

Mr. WALSH of Montana. Mr. President—

Mr. POINDEXTER. I yield to the Senator from Montana.

Mr. WALSH of Montana. Before the Senator proceeds, I desire to take exception to the statement that I admit anything. That is the plain language of the covenant. There is no admission. I so assert. But, Mr. President, I assert also that because there must be a unanimous decision, which is remotely improbable—

Mr. POINDEXTER. That is a different question, Mr. President.

Mr. WALSH of Montana. That it will amount to anything except a discussion of the question, because it is scarcely conceivable that there can be a real dispute between two nations with respect to which all the other nations of the earth will say that one of them is wrong. So the matter would be merely a debate.

Mr. POINDEXTER. I am somewhat in doubt now as to whether the Senator admits that we would obligate ourselves not to go to war or whether we do not obligate ourselves.

Mr. WALSH of Montana. The Senator need not be in doubt about it.

Mr. POINDEXTER. Or whether he says he wishes we would obligate ourselves.

Mr. WALSH of Montana. If such an improbable thing that there should be a unanimous decision with respect to a controversy between this country and another should be rendered in the assembly, we bind ourselves that we will not go to war against the decision of the assembly.

Mr. POINDEXTER. We do bind ourselves?

Mr. WALSH of Montana. Exactly.

Mr. POINDEXTER. Let me understand the Senator from Montana clearly.

Mr. WALSH of Montana. The Senator understands me perfectly clearly.

Mr. POINDEXTER. Do I understand that the Senator from Montana admits that by this covenant we would bind ourselves not to go to war against a nation having a dispute with us that accepts the decision of the assembly?

Mr. WALSH of Montana. There is nothing equivocal about my statement. The Senator can not possibly have misunderstood it. I do not admit anything. I assert that in the improbable case of a dispute concerning which there would be a unanimous decision of the assembly against us, every nation on earth taking the view that we are wrong about it, we bind ourselves not to go to war.

Mr. POINDEXTER. I am just as much at a loss now as I was before to know what the Senator's conclusion is as to the obligations which we assume under the covenant of the league of nations, whether the Senator agrees that we would be obligated not to go to war if our antagonist in the dispute accepted the decision of the assembly, or whether we would not be. Evidently, notwithstanding the number of times the Senator has discussed the league of nations, and the intense feeling which he has dis-

played about the obligations of the United States under this league, he is not familiar with its terms, which surprises me very much. I had thought that the Senator had read the article which he is talking about, and that he knew what are its contents. The Senator assumes that the decisions of this assembly will have to be unanimous, under the terms of article 15. The contrary is the fact. They do not have to be unanimous at all. In view of the fact that evidently the Senator has not read it, or else has forgotten what it is, I will read it now. I have a copy of it in my hands. We might as well know what it is we are talking about.

Mr. WALSH of Montana. The Senator from Montana is perfectly familiar with it.

Mr. POINDEXTER. Article 15 reads:

The council may in any case under this article refer the dispute to the assembly. The dispute shall be so referred at the request of either party to the dispute, provided that such request be made within 14 days after the submission of the dispute to the council.

In any case referred to the assembly all the provisions of this article and of article 12 relating to the action and powers of the council shall apply to the action and powers of the assembly, provided that a report made by the assembly, if concurred in by the representatives of those members of the league represented on the council and of a majority—

Not unanimous, but a majority—

of the other members of the league, exclusive in each case of the representatives of the parties to the dispute, shall have the same force as a report by the council concurred in by all the members thereof other than the representatives of one or more of the parties to the dispute.

So, Mr. President, so far from this being the case which the Senator has picked out, of every other nation in the world unanimously, as he vehemently emphasized, agreeing to it, it is not declared that every other nation in the world or every other member of the league or every other member of the assembly shall agree to it. It only requires that representatives of those nations who are represented upon the council shall agree to it, and a majority of the other members of the league. That is all that it requires.

Now, Mr. President, let me comment a little further upon another suggestion of the Senator from Montana. He departed from the question which we were discussing, as to what the effect of the covenant would be, and assuming that the covenant was a satisfactory one to the United States—that is, even assuming that the covenant required the unanimous decision of the assembly—he undertook to argue that if the other nations of the world represented in the assembly unanimously decided that as to a question which the Government and the people of the United States claim to be a domestic question, if the other nations of the world, all of whom have conflicting interests with the United States, should decide that it is not a domestic question, we must accept their decision.

Mr. LODGE rose.

Mr. POINDEXTER. Just one moment and I will yield to the Senator from Massachusetts.

The result of that would be, under the interpretation which the Senator from Montana gives to the covenant and which is a much more favorable interpretation than can possibly properly be given to it, that the foreign affairs of the United States would be taken out of the control of the people and the Government of the United States and put under the control of foreign nations; and the Senator from Montana stands in his place and attempts to justify that, and says that he is willing that the independence and sovereignty of this country, which would be involved in such a dispute, should be committed to the decision of foreign peoples if they agree upon a decision.

I yield now to the Senator from Massachusetts.

Mr. LODGE. The hour of 2 o'clock having arrived, I move that the Senate proceed to the consideration of the treaty of peace with Germany in open executive session.

The motion was agreed to.

Mr. BORAH. Mr. President, may I ask a question?

Mr. POINDEXTER. I yield to the Senator from Idaho.

Mr. BORAH. A parliamentary inquiry. What becomes of the resolution now? Does it go to the calendar?

The PRESIDING OFFICER. It goes to the calendar.

Mr. BORAH. Will it be permissible, under unanimous consent, to have it remain on the table without prejudice, and would the Senator from Montana be willing to have that course taken?

Mr. WALSH of Montana. That course would be quite agreeable to me.

Mr. LODGE. It can be taken from the calendar by motion at any time.

Mr. BORAH. I myself want to discuss the resolution.

Mr. WALSH of Montana. I should be glad to have unanimous consent given that it shall go over without prejudice.

Mr. LODGE. I think it can be reached just as easily on the calendar as on the table. I have no objection, however, to having it go to the table.

Mr. WALSH of Montana. I ask unanimous consent that the resolution may go over without prejudice.

Mr. LODGE. Of course it is not before the Senate now.

Mr. WALSH of Montana. That is true.

Mr. LENROOT. Mr. President, I do not think consideration of the resolution ought to interfere with the consideration of the peace treaty in any way. Therefore I object.

The PRESIDING OFFICER. Objection is made. The resolution goes to the calendar.

TREATY OF PEACE WITH GERMANY.

The Senate, as in Committee of the Whole and in open executive session, resumed the consideration of the treaty of peace with Germany.

Mr. POINDEXTER. Mr. President, I am very glad indeed to have this very clear statement from the Senator from Montana this morning, part of it embodied in the resolution, in the first place that he is not only willing but advocates that the league of nations shall at least consider, I am not thoroughly clear as to whether or not the Senator from Montana thinks they should act upon and decide, such questions as the Irish question. I do not know exactly what he means by the Irish question. I do not know whether he means land laws for the Irish people, or home rule for the Catholic population, or for the north of Ireland, or home rule for a part of them and not for the other part, or whether he means Irish independence. At any rate, whatever the Irish question to be submitted to the league may be defined to be, his position is that the United States, acting through the Senator from Montana as the initiator of the movement in the Senate of the United States, shall intervene in the question and bring it before the league of nations, and that the league of nations shall take it up; and, in the second place, after having vested the league of nations with jurisdiction of questions of that kind, that we shall be bound by their decision, not for nine months, but forever, in case the other members, not involved in the dispute, unanimously agree upon the decision.

I have no doubt, Mr. President, that it would be a very easy matter to get a unanimous decision from the other members of the league to abolish the Monroe doctrine. I never knew of a South American country that thought very much of the Monroe doctrine. My impression is that those nations which really owe their existence to it are not friendly to it. They misinterpret it, and it would not be difficult to get them to vote, in the league of nations, for the abolishment of the Monroe doctrine, or to reject any plea that was introduced by the United States in a dispute between it and another nation based upon the Monroe doctrine. Does anyone have any doubt that Japan would vote with the European nations on that question, or that Haiti would vote with them on that question, or that Cuba would do likewise?

I am not sure whether they would or would not, but I am not sure by any means that they would not, and the consequence is that you are submitting to this decision, even though the rule were, as the Senator from Montana mistakenly thought it was, that the decision should be unanimous, jurisdiction over a doctrine, as it is called, a policy of the United States which has come to be one of the unwritten laws of our foreign policy and as essential to the development of the interests of this country as the Constitution itself. There can not be any doubt whatever after this as to the position of at least the Senator from Montana upon those questions.

Now, Mr. President, I want to refer to another feature of the discussion. I have called attention to the fact that we are binding our hands forever to accept the decision of this tribunal in which Great Britain, one of the aggressive nations of the world, has six times the power that the United States has. Cover it up as you may, by sophistry or by an attempt to make plain language mean something else than it actually does mean, the British Empire has six times the power that the United States has in the assembly of the league; and we are told that we must consent to that because of our obligations to Europe. The Senator from Nebraska says that we must give six votes to the British Empire in this league because of the great services that Great Britain and her colonies have rendered in the war.

We aided them at least in winning the war, and it would be supposed that they would have been under obligations to us, but, according to the Senator from Nebraska [Mr. HITCHCOCK], the greater the services we render the greater are, not their obligations, but ours.

The Senator from Nebraska, who has talked so much about the regard that he has for the Allies and our duty to serve them in Europe after the war is over, stated the other day on the floor of the Senate that he had not changed his position which

he occupied during the war toward the several belligerents. He even went so far as to dispute the assertion of the Senator from Missouri [Mr. REED] that he had introduced an embargo resolution in the Senate after the *Lusitania* was sunk, and when it was shown that he had introduced it some seven months after the *Lusitania* was sunk the Senator from Nebraska stated that he had never apologized for it and was not going to apologize for it. I assume that means that he is not going to apologize for the position which he took throughout the war and up to the time of the declaration of armed neutrality, after Germany had made war upon the United States, after the President had appealed to Congress to authorize him to arm our merchant vessels in order to protect them against the war which Germany was making upon them. I only referred to this—

Mr. HITCHCOCK. Mr. President—

The PRESIDING OFFICER (Mr. CURTIS in the chair). Does the Senator from Washington yield to the Senator from Nebraska?

Mr. POINDEXTER. Certainly.

Mr. HITCHCOCK. To what action of mine does the Senator refer at the time of the armed-neutrality discussion?

Mr. POINDEXTER. I refer to the Senator's action in speaking on the floor of the Senate in behalf of Germany.

Mr. HITCHCOCK. The Senator knows that I conducted the armed-neutrality resolution through the Senate as far as it went.

Mr. POINDEXTER. Yes; that was a thing that seemed to me quite peculiar, that the Senator could conduct, nominally, the armed-neutrality resolution, which, my understanding is, came not from the Senator from Nebraska, but from the administration—

Mr. HITCHCOCK. It came from the Committee on Foreign Relations.

Mr. POINDEXTER. I hardly think it originated in the Committee on Foreign Relations. My impression is it came from the Executive branch of the Government.

Mr. HITCHCOCK. It did. It was the recommendation of the President.

Mr. POINDEXTER. It came to the Senate and was then referred to the Committee on Foreign Relations.

Mr. HITCHCOCK. Does the Senator question that I supported that resolution to the limit of my ability?

Mr. POINDEXTER. I certainly do. I fail to see how the Senator could support that resolution to the limit of his ability while he was declaring at the same time, and a long time after it had been introduced, to the limit of his ability, that he sympathized with Germany, that not only the German people but that the German Government were entitled to a great deal of consideration, and when he had pending at that time a bill and a resolution for an embargo upon arms and was attempting to get them passed through Congress, and which, if he had succeeded in getting them passed, would have brought about a German victory.

Mr. HITCHCOCK. Why does the Senator say that I was attempting at that time to get my embargo bill passed through Congress?

Mr. POINDEXTER. Well, I will call attention—

Mr. HITCHCOCK. The Senator knows that it was a very material distance previous to that time. The Senator will recall, if he will think a moment, that I led the fight in the Senate and endeavored by every human means to secure the passage of the resolution authorizing the President to arm the merchant ships of the United States and protect our neutrality by arms. The Senator knows that.

Mr. POINDEXTER. I do not know that at all, Mr. President. I know that the Senator urged the adoption of the resolution, but when the Senator at the same time justified the acts of war upon which the proposal for armed neutrality had been based, expressing sympathy for Germany and for the German Government, it impaired to a great extent the strength and influence of his support of the armed-neutrality resolution. I will call attention to the language—

Mr. HITCHCOCK. I should like to have the Senator give some dates now.

Mr. POINDEXTER. I will.

Mr. HITCHCOCK. The Senator is confusing one year with another. The Senator knows very well what brought on the demand for armed neutrality and later the demand for war. It was the decision of Germany to retract her promise not to attack American vessels by submarine warfare.

Mr. POINDEXTER. Yes.

Mr. HITCHCOCK. He knows that decision was reached by Germany and announced to the United States in the spring of 1917.

Mr. POINDEXTER. Yes.

Mr. HITCHCOCK. And that when Germany took that position, when she retracted her promise to us, then the administration moved for armed neutrality; and I supported the armed-neutrality resolution. The Senator knows that that armed-neutrality resolution failed because a few Senators here in the Senate fought it and resisted it by filibuster until 12 o'clock noon on the 4th of March, 1917, and that Congress then automatically and necessarily adjourned. He knows that the President thereupon, within a short time, reconvened Congress in extraordinary session; he knows that when Congress convened in extraordinary session it was I who had charge in the Senate of the resolution declaring war on Germany. Now, he knows these things, and why does he state that at that time I was advocating an embargo on arms? He may have confused his dates, but at least he ought to correct his gross misstatements.

Mr. POINDEXTER. Mr. President, the armed-neutrality resolution was introduced in the House of Representatives on February 26, 1917; it was reported with amendments to the House and committed by the House to the Committee of the Whole House on the state of the Union on February 28, 1917. That resolution provided as follows:

That the President of the United States be, and he is hereby, authorized and empowered to supply merchant ships, the property of citizens of the United States and bearing American registry, with defensive arms, and also with the necessary ammunition and means of making use of them in defense against unlawful attack; and that he be, and is hereby, authorized and empowered to protect such ships and the citizens of the United States against unlawful attack while in their lawful and peaceful pursuits on the high seas.

That resolution, Mr. President, recognized the fact that unlawful attacks were being made upon the merchant ships of the United States, and had been made upon them previously to the time of the passage of the resolution. The fact is that such attacks had been in process for a considerable period of time. The declaration of war on April 6, 1917, contained this language—not that we declared war upon Germany but that we recognized the state of war existing between Germany and the United States:

That the state of war between the United States and the Imperial German Government which has thus been thrust upon the United States is hereby formally declared, and that the President be, and he is hereby, authorized and directed to employ the entire naval and military forces of the United States and the resources of the Government to carry on war against the Imperial German Government; and to bring the conflict to a successful termination all of the resources of the country are hereby pledged by the Congress of the United States.

Recognizing at that time the existence of a state of war which had existed for a period of time prior to its recognition by the resolution.

In the address of the President of the United States of April 2, 1917, at the joint session of the two Houses of Congress, the President said:

On the 3d of February last I officially laid before you the extraordinary announcement—

"The 3d of February." I beg the Senator from Nebraska to note that date—

On the 3d of February last I officially laid before you the extraordinary announcement of the Imperial German Government that on and after the 1st day of February it was its purpose to put aside all restraints of law or of humanity and use its submarines to sink every vessel that sought to approach either the ports of Great Britain and Ireland or the western coasts of Europe or any of the ports controlled by the enemies of Germany within the Mediterranean.

And he proceeded to say:

I was, for a little while, unable to believe that such things would in fact be done by any Government that had hitherto subscribed to the humane practices of civilized nations. International law had its origin in the attempt to set up some law which would be respected and observed upon the seas, where no nation had right of dominion and where lay the free highways of the world. By painful stage after stage has that law been built up, with meager enough results, indeed, after all was accomplished that could be accomplished, but always with a clear view, at least, of what the heart and conscience of mankind demanded. This minimum of right the German Government has swept aside under the plea of retaliation and necessity and because it had no weapons which it could use at sea except these which it is impossible to employ as it is employing them without throwing to the winds all scruples of humanity or of respect for the understandings that were supposed to underlie the intercourse of the world. I am not now thinking of the loss of property involved, immense and serious as that is, but only of the wanton and wholesale destruction of the lives of noncombatants, men, women, and children, engaged in pursuits which have always, even in the darkest periods of modern history, been deemed innocent and legitimate. Property can be paid for; the lives of peaceful and innocent people can not be. The present German submarine warfare against commerce is a warfare against mankind.

It is a war against all nations. American ships have been sunk, American lives taken, in ways which it has stirred us very deeply to learn of, but the ships and people of other neutral and friendly nations have been sunk and overwhelmed in the waters in the same way. There has been no discrimination. The challenge is to all mankind. Each nation must decide for itself how it will meet it. The choice we make for ourselves must be made with a moderation of counsel and a temperateness of judgment befitting our character and our motives as a nation. We must put excited feeling away. Our motive will not be revenge or the victorious assertion of the physical might of the Nation, but only the vindication of right, of human right, of which we are only a single champion.

I read that, Mr. President, and call attention to the language of the resolution recognizing a state of war and the bill authorizing the President to arm our merchant ships, in order to show the conditions which not only then existed but had existed for a considerable period of time previous to that, during which time the Senator from Nebraska used the language to which I have called attention on the particular date I have mentioned.

Mr. HITCHCOCK. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Nebraska?

Mr. POINDEXTER. I yield to the Senator from Nebraska.

Mr. HITCHCOCK. The Senator has read the President's statement that Germany withdrew the promise she had made and proceeded to unrestricted submarine warfare; the Senator knows that the promise made by Germany in 1916 was kept for a number of months and not withdrawn until the 31st day of January, 1917; and when Germany withdrew it and proceeded to make submarine warfare upon our vessels the President then demanded, first, the armament of our ships to protect our neutrality, and immediately thereafter he demanded action by Congress declaring a state of war. The Senator is not warranted in saying that this condition had existed long; it had only existed since the 31st day of January, 1917, for that was the date when Germany withdrew her promise; that was the date when she proceeded to unrestricted submarine warfare, and it was that act of Germany which caused the action of the United States leading us into the war against Germany.

Mr. POINDEXTER. Yes.

Mr. HITCHCOCK. So that the condition was not a protracted one. For many months Germany was operating under the promise not to do those things which she finally decided to do against us on the 31st day of January, 1917.

Mr. POINDEXTER. Well, Mr. President, a considerable period of time elapsed between the 31st day of January, 1917, and the 4th day of March, 1917, when the armed neutrality resolution was temporarily delayed by the close of the Congress. A considerable period of time elapsed between the 31st day of January and April 6, 1917, when the declaration recognizing the existence of a state of war between Germany and the United States was adopted. Furthermore, Mr. President, the *Lusitania* was sunk in May, 1915. That was the most egregious of all the practical acts of Germany in violation of the rights of American citizens upon the high seas which she committed. The Senator knew of that; the whole world knew of it; the sentiment of our people was known in regard to it. It was still uncondoned, notwithstanding the weary series of notes that were exchanged. Long after that, long after Germany had broken her promise and renewed her warfare upon American citizens pursuing their peaceful occupations upon the high seas, the Senator from Nebraska, who now charges his opponents in this matter pending before the Senate with being the associates only of Bolshevik organizations and of catering to the German vote, was espousing the cause of Germany in the war, or at least declaring himself a neutral, and on other occasions declaring himself in sympathy with Germany and asking for consideration not only for the German people but for the German Government.

The Senator from Nebraska on December 7, 1914, introduced a bill, being Senate bill 6688, providing as follows:

That it shall be unlawful and treated as a breach of the neutrality laws of the United States for any person, partnership, or corporation to sell or contract to sell, or deliver or contract to deliver, during the existence of war between nations with which the United States is at peace any arms, ammunition, artillery, and explosives of any kind whatsoever to be used against a country or nation with which the United States is at peace; and during the existence of war it shall be unlawful to sell for exportation or to export arms, ammunition, artillery, and explosives, except upon filing with the Secretary of Commerce such satisfactory sworn proof that said arms, ammunition, artillery, and explosives are not intended to be used in violation of this act.

Any person violating this act shall be fined not more than \$100,000 and imprisoned not more than three years, and any arms, ammunition, artillery, and explosives, the exportation of which is attempted in violation of this act, shall be forfeited, one-half to the use of the former and one-half to the use of the United States.

On the same date, Mr. President, to show the activity and interest of the Senator from Nebraska in this matter, he introduced Senate resolution 488. It provided:

Resolved, That the Secretary of Commerce be, and he is hereby, directed to inform the Senate whether and to what extent arms, ammunition, artillery, and other similar munitions of war have been exported from the United States to each of the belligerent nations in the present war, and to Canada, for each month from the 1st of August to the 1st of December.

Resolved also, That he inform the Senate to what extent contracts with American concerns are now being executed for the manufacture and exportation of arms, ammunition, and artillery, and that said statements be so far as possible in detail.

Again, Mr. President, on February 2, 1915, the Senator proposed as an amendment to Senate bill 6856, and had printed, practically the same proposition as that which is included in the bill and resolution which I have just read.

Still later than that—

Mr. HITCHCOCK. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Nebraska?

Mr. POINDEXTER. Just a moment. On December 7, 1915, the Senator again, seven months after the sinking of the *Lusitania*, introduced Senate bill 380, entitled "A bill to prohibit individuals, partnerships, or corporations in the United States from selling arms, ammunition, artillery, and explosives of any kind for exportation during the existence of war except upon proof that said arms, ammunition, artillery, and explosives are not to be used in said war against a country with which the United States is at peace."

During the interval between the introduction of these various bills, and at the time they were introduced, the Record shows that the Senator from Nebraska was exceedingly active in pressing them for adoption. About that time there was a powerful organization in the United States with some such title as "The American Embargo Association," organized of sympathizers with Germany for the purpose of bringing about the adoption of this legislation; and in the effort to bring it about the Senator from Nebraska not only introduced bills but introduced resolutions, and not only introduced separate resolutions and bills but introduced amendments to other bills then pending, and spoke in favor of them in the Senate.

I pause to make this comment upon that, Mr. President, and I would not have called attention to it but for the epithets that have been used by the Senator from Nebraska in this debate and to illuminate his expressions of affection, now that the war is over, for our allies—that it would have been a good deal better if he had indicated some sympathy, if not affection, for them while they were fighting in a desperate situation for the preservation of their nationality and independence. On the contrary, however, if the Senator from Nebraska at that time, when they needed friends and assistance, had succeeded in accomplishing what he undertook to do, the Allies would not now be making a victorious peace, but Germany would be dictating peace to the world.

Mr. President, if the Senator from Nebraska had had his way in this war which he talks about in his support of the league of nations, instead of curbing Germany, which he now says he wants to do, it would have been equivalent to leading into the field in behalf of Germany an army of a million well-armed soldiers. They would have done Germany no more good, they would have contributed no more to her success, than would the placing of an embargo upon the shipment of the necessary materials for the conduct of the war which they were obliged to obtain at that time in the United States, as proposed in the persistent efforts of the Senator from Nebraska, if he had succeeded in having his way, though he now claims to be such a good friend of the Allies.

Mr. President, by reference to volume 52, page 3938, of the CONGRESSIONAL RECORD of the date of February 17, 1915, this language will be discovered, used on the floor of the Senate by the Senator from Nebraska, indicating his attitude at that time, for which, as I understand, he says he has no apologies to make:

Mr. President, let me come to the issue. Is it an act of unneutrality in the midst of war for the United States to prohibit its citizens from selling arms and ammunitions manufactured in this country to belligerent nations that are making war upon nations with which we are at peace? The argument that this is so is made upon this theory, that one of the great sides to this horrible war has succeeded in getting command of the sea; that it is solely able to draw upon our great resources and to purchase our arms and ammunition; and that to pass this act at this time would be to withdraw from it the benefit which it enjoys and the advantage which it has gained.

On page 3939 he says:

I say, Mr. President, it is time this country again awakened to the fact that we have a responsibility to share in what is going on; and I may say, by way of interruption to myself at this time, that I believe the time is at hand when the United States should lead the neutral nations of the world and take aggressive steps to bring this war to a close.

That was while Germany was in occupation of Belgium and northern France, in the full flush of the atrocities which shocked the world; and the Senator from Nebraska declared that we should withdraw our support from those nations which were standing for civilization, and that we should bring the war to a close. Of course, it is needless to say that that would have been a German victory.

At the same time and at the same place the Senator used this language:

Why, we have already seen in this country, Mr. President, what it means. It means that, by permitting this traffic, we are arraying citizen against citizen, race against race; and while a few months ago there was a friendly feeling between all of the various stocks which have come from Europe, where German and Bohemian and Pole and

Russian and Swede and Englishman and Frenchman all lived together in comparative peace and harmony, there is developing in this country at the present time a tendency which threatens to disintegrate our population into the different races; which threatens to array race against race in the United States.

I say the fact that we are in such a position, the fact that we have such a heterogeneous population, the fact that we have the sons of so many European countries in our own midst, is a reason why we, at least, above all the nations in the world, should keep out of any entanglements in time of war. We should carry the policy of abstention to the limit.

Not only, Mr. President, has the Senator reversed his attitude toward France and Great Britain, who were the chief instruments in checking the wicked ambitions of Germany, but he has reversed his attitude toward European entanglements. He has become the advocate not only of entanglements but of union with Europe, and the advocate of a covenant of international government which ties the United States to Europe and to Asia and to other parts of the world that are represented in the league, in every controversy of importance which may arise in those parts of the world, whether it is a matter of interest to our people or not. It is quite a contrast to the attitude that the Senator took during the war.

At the same time, the Senator said in the Senate:

I have no friendships and no sympathies on either side.

Now that we have won the war, he says that our friendship must go to the extent of sharing in all the burdens of the future which may afflict these allies. At the time when they needed friends and at the time when such an emergency had arisen that it threatened the integrity of the United States the Senator said he had no friendships.

In volume 53 of the CONGRESSIONAL RECORD, page 1613, on January 27, 1916, about a year later, the Senator was still indifferent as to whether or not France and Great Britain survived in this frightful contest. The Senator did not care at that time whether they won or lost. He apparently was perfectly indifferent as to what the consequences to the United States would be if Germany overran Europe, consolidated the resources of materials and of men of those conquered countries, and hurled them in due time, when she was ready, against the United States. The Senator did not care. He was indifferent because, he said, according to the CONGRESSIONAL RECORD:

I am a neutral, Mr. President.

He not only said that he was a neutral, but he also said:

I do not want to see either side in this war crush the other side. I am against having either of them victorious.

Now, when they do not need friends, when they are victorious, when they are the masters of Europe, it might be of some interest to them, if not to our own people, to recall the fact that when they did need friends the Senator said that he did not want to see them victorious—the advocate of a league of nations! That was almost a year after Germany had perpetrated the marine outrage of torpedoing a passenger ship without notice and without any attempt to save the passengers, which the rules of decency and of international law required. The Senator from Nebraska was not indignant at that. At least, he was not indignant to the extent of caring whether or not the nation which had perpetrated it succeeded in her ambitions and designs of conquest, which meant the domination of the world and ultimately, I believe, if she succeeded, either a contest between the United States singlehanded against the consolidated resources of Europe under German dictation or else the domination by Germany of the United States as well as the rest of the world.

I think all of this throws considerable light upon the sincerity of the arguments that are made about the advisability of the ratification of this league because of the necessity of curbing Germany. The Senator from Nebraska says that we must ratify this league because it curbs Germany. Mr. President, Germany was curbed when the back of her army was broken by the Allied troops in the Argonne in November, 1918. The war was won then, and from that time to this three nations of Europe have been able alone, without the assistance of the Senator from Nebraska or of the United States, to put Europe in order.

The Senator now says that we must ratify the league of nations, the treaty of peace, and the International Labor Conference, because if we do not do that we may not be able to assist in fixing the customs duties of Germany. That is one of the arguments that he is put to in favor of the league of nations. Mr. President, the time has never been in the history of American commerce, at least not for many years, when this Nation was not able to secure perfectly fair trade agreements with all other nations in the world. The control of the United States over the commerce of the United States, which does not depend upon a league of nations, is sufficient protection to our interests in the German customs tariffs.

So it may be said as to the argument which the Senator from Nebraska makes in behalf of the ratification of this league, because through it our title to the proceeds of the alien property which has been sold in this country may be secured. As was very well said by another Senator the other day, that is in the possession of this country, and we are able to protect it. I assume that we do not want to do anything unjust in regard to it. We are able to decide what is right, and we are able to defend our position after we have decided what is right in regard to that proposition, whether this treaty is ratified or not.

The Senator says that it would be poltroonery and dishonor for the United States now to abandon France and England, although he thought it was highly honorable to abandon them in 1915. In volume 54, page 2235, on January 30, 1917, shortly before the armed neutrality resolution was presented and about the time Germany renewed her submarine warfare, which is the circumstance to which I referred a moment ago, the Senator from Nebraska supported the declaration of the President made to the Senate in favor of a peace without victory, thereby reiterating the attitude which he had expressly stated in the Senate on various occasions, that he did not want to see either side victorious. Referring to that declaration of the President for a peace without victory, the Senator from Nebraska said on January 30, 1917:

It has been received in every great country in the world and read by millions of the people of the world, and it has met a responsive chord in every country. It is to-day an issue in every great nation, and it is to-day the greatest influence for hastening the advent of peace and bringing a close to this terrible war.

I repeat, Mr. President, the thing which he was there eulogizing was the peace without victory of either side.

So, Mr. President, much later than that, long after the armed-neutrality resolution had been introduced—for it had been reported in the House of Representatives on February 28, 1917, and I have called attention to the date when it was introduced—the Senator said he changed his position. He must have made a lightning change, judging from the CONGRESSIONAL RECORD. Three days after the introduction of this armed-neutrality resolution in the Senate, after it had passed the House of Representatives, only one month before we entered into the war. March 4, 1917, as reported in volume 54, page 5018, CONGRESSIONAL RECORD, the Senator from Nebraska used this language:

I feel, Mr. President, therefore, a sympathy for the German people, who, after all, are only living the lives that their destiny requires them to lead.

At that time the German Army, composed of all the able-bodied male members of the German people, were committing all the atrocities that their ingenuity could think of in the destruction of life and property in Belgium and northern France. The Senator from Nebraska said he sympathized with them. They were then engaged in enslaving and despoiling the people of France and Belgium, and in the pillage of those countries.

The Senator not only sympathized with the people, but he praised the Government of Germany, in this language:

We are wont to condemn their Government, Mr. President, and because our sympathies go strongly to the other side, we forget that the Government of Imperial Germany has done more for the common people, the masses of the German people, during the last 45 years than any country in Europe, at least, has done for its people.

Not only that, but the Senator from Nebraska at the same time condoned the German atrocities, which aroused the indignation of the world, committed against these allies that he thinks now we ought not to desert, ought to cleave to after they have won the victory, when he would not cleave to them while they were in the midst of the fight. Said the Senator from Nebraska:

When a man is crowded against the wall or is fighting for his wife and his children, he will not think of the means that may be necessary.

Do Senators think that the parents of those children * * * are going to observe the ancient rules of international law?

He further eulogized the President in his persistent efforts to bring about a peace without victory, saying:

It is not only the people of the United States who owe this great debt of gratitude to the President, it is the people of all the world; * * * the son of any one of these countries is indebted to the President of the United States for having succeeded * * * in keeping one of the great nations out of this awful calamity.

Mr. President, the Zimmerman note, of notorious memory, was published in the United States on March 1, 1917. Everybody remembers the feeling of the citizens of the United States when that note was published, indicating an effort on the part of Germany to stir up a conspiracy with Mexico and Japan to partition the United States, to give California to Japan, Texas to Mexico, and most of the rest of the United States to Germany. When everybody else was quite indignant about that

note the Senator from Nebraska said, as appears in the CONGRESSIONAL RECORD, volume 54, page 4595, on March 1, 1917:

I am sorry to say that much the Senator from Missouri has declared as to false reports or conspiracies to circulate them is true. The American mind has been poisoned with false reports, and we have had an opinion created in the United States which has not altogether been justified by the facts.

Of course, that was a long time after the Bernstorff atrocities. The Senator from Nebraska, who now talks about the poltroonery of those who will not agree to submit the foreign affairs of the United States to the control of the league of nations, used these words many months after Von Bernstorff had employed his agents to murder the citizens of the United States, blow up its manufacturing establishments, insult its Government, and recompense the people of the United States for the hospitality which he had received by the violation of their laws and the commission of innumerable indecencies. The Senator from Nebraska still thought that the American mind had been poisoned by false reports against Germany and German agents.

Mr. President, the sincerity of the appeals which are made by the Senator who has charge of this covenant of the league of nations, to ratify it on account of obligations that we owe to France and to Great Britain, is to be considered in connection with his declarations at an earlier day as to the real feeling which he had toward those great free nations, in the midst of their desperate struggle for liberty and civilization. It is for that purpose, and in order to throw some illuminating light upon the arguments of the Senator from Nebraska, that I have called attention to these records.

The PRESIDING OFFICER. The Secretary will continue the reading.

Mr. HITCHCOCK. Mr. President, I do not want to detain the Senate from the reading of the treaty. I think this form of filibuster is very obnoxious, aside from the personal attack involved. I am not an issue in this controversy. I did introduce an embargo bill on the first day Congress was in session after the war broke out. I introduced it on the 7th of December, 1914, and I affirm now it would have been wise for the United States to have maintained its neutrality, and not to have sold arms and munitions in enormous quantities, by which this country was practically converted into a base of supplies for one side.

I do not believe, and never have believed, that such action on our part, if we had prohibited the export of arms and munitions in enormous quantities, would have resulted in a German victory. I have no idea that it would, because at that time Russia with her full power was in the field. It would probably have resulted in an earlier peace, and instead of having the welter and the ruin which we behold all over the world now, with 7,000,000 dead men and twice 7,000,000 cripples, the war would have been brought to an end without any such result.

Ultimately it may be better and it probably will be better, I am frank to say now, to have militarism wiped off the face of the earth, as it has been. It may be better, and it probably will be better, that the Empires of Russia, Germany, and Austria-Hungary have disappeared, but at that time, if the United States had passed an embargo bill and refused to allow itself to be made the military base for either side, the result would have been the adoption of a peace without any victory on either side. With Russia still pounding at the doors of eastern Germany, Great Britain in command of the sea, and France with an enormous army in the field, the result would probably have been a peace without victory, it probably would have been a compromise, and the United States would not have been involved in the war.

But, Mr. President, the Senator well knows that when I introduced that resolution on the first day the Congress met after the war opened—December 7, 1914—that did not express sympathy for either side. That was purely a question that this country might remain neutral, under the proclamation of the President of the United States that was not questioned anywhere. No Senator rose in his place to move a declaration of war, though that is the function of Congress. The whole country acquiesced in the idea of neutrality, and it was only those people making millions and hundreds of millions of dollars out of the manufacture of munitions, to keep the war alive, who objected to it and objected to the position which I took.

I want to say, furthermore, Mr. President, that the Senator who has just taken his seat, the Senator from Washington [Mr. POINDEXTER], himself supported my resolution in the Senate of the United States. He remembers when I offered it as an amendment to the shipping bill. He remembers when a motion was made to lay it on the table, and he joined me at that time in voting against laying it on the table, and so did 34

other Senators here. It ill becomes the Senator at this time, for the purpose of making a little personal attack upon me, to bring up that matter.

Mr. POINDEXTER rose.

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Washington?

Mr. HITCHCOCK. Mr. President, that is all I care to say. I would prefer to have the Senator's ill will and bad opinion than his good opinion.

Mr. POINDEXTER. Mr. President, I am very sorry I can not accommodate the Senator. I have a very good opinion of him. The fact that I called attention to his congressional record ought not to anger him so. I made no animadversions upon the Senator. I simply read from the CONGRESSIONAL RECORD. Of course, the Senator's heat and the Senator's indignant expression is not a matter of any great concern. I do not think the Senator will feel that way after he thinks the matter over.

I only rose to say that I never supported his resolution, I never voted for it, and never spoke in behalf of it, and if it had ever come to a vote before the Senate I would have voted against it. A great many people voted to keep the matter before the Senate in order to defeat it, in order to prevent an evasion of the direct issue, and to put the Senate's attitude in the matter on record before the country and the Allies. Of course, I do not recollect about motions to lay matters upon the table at that date. I know that I never supported in any way his resolution, but, on the contrary, was at all times actively opposed to it.

Mr. HITCHCOCK. Mr. President, inasmuch as that question is now raised, I read from the CONGRESSIONAL RECORD of February 18, 1915:

The SECRETARY. The Senator from Nebraska proposes to amend House amendment No. 3 by adding, at the end of section 16, the following:

"That it shall be unlawful and treated as a breach of the neutrality laws of the United States for any person, partnership, or corporation to sell or contract to sell, or deliver or contract to deliver, during the existence of war between nations with which the United States is at peace, any arms, ammunition, artillery, and explosives of any kind whatsoever to be used against a country or nation with which the United States is at peace; and during the existence of war it shall be unlawful to sell for exportation or to export arms, ammunition, artillery, and explosives, except upon filing with the Secretary of Commerce satisfactory sworn proof that said arms, ammunition, artillery, and explosives are not intended to be used in violation of this provision.

"Any person violating this provision shall be fined not more than \$100,000 and imprisoned not more than three years, and any arms, ammunition, artillery, and explosives the exportation of which is attempted in violation of this provision shall be forfeited, one-half to the use of the informer and one-half to the use of the United States."

The motion was then made to lay that amendment on the table. Fifty-one Senators voted to lay it on the table, and thus defeated it. Thirty-six Senators, endeavoring to save it, voted against laying it on the table. Of course I was one, and the Senator from Washington [Mr. POINDEXTER] was another.

Mr. SMOOT. Mr. President, the Senator does not mean to say that whenever a Senator votes to lay a matter on the table he is opposed to it or is in favor of it? I wish to say to the Senator that it has been my practice not to vote to lay a measure on the table unless absolutely necessary in order to carry forward business that should be passed at a very early day. I always prefer to vote direct upon the question. That may have been the case on the very question referred to. I am simply stating my position with reference to the question.

The PRESIDING OFFICER. The Secretary will resume the reading of the treaty.

The Secretary resumed the reading of the treaty, at the top of page 287, and read as follows:

"The Commission shall give representatives of the German Government an opportunity and a time to be heard as to their capacity to furnish the said materials, articles and animals.

"The decision of the Commission shall thereupon and at the earliest possible moment be communicated to the German Government and to the several interested Allied and Associated Governments.

"The German Government undertakes to deliver the materials, articles and animals as specified in the said communication, and the interested Allied and Associated Governments severally agree to accept the same, provided they conform to the specification given, or are not, in the judgment of the Commission, unfit to be utilized in the work of reparation.

"5.

"The Commission shall determine the value to be attributed to the materials, articles and animals to be delivered in accordance with the foregoing, and the Allied or Associated Power receiving the same agrees to be charged with such value, and the amount thereof shall be treated as a payment by Germany to be divided in accordance with Article 237 of this Part of the Present Treaty.

"In cases where the right to require physical restoration as above provided is exercised, the Commission shall ensure that the amount to be credited against the reparation obligation of Germany shall be the fair value of work done or materials supplied by Germany, and that the claim made by the interested Power in respect of the damage so repaired by physical restoration shall be discharged to the extent of the proportion which the damage thus repaired bears to the whole of the damage thus claimed for.

"6.

"As an immediate advance on account of the animals referred to in paragraph 2 (a) above, Germany undertakes to deliver in equal monthly installments in the three months following the coming into force of the present Treaty the following quantities of live stock:

"(1) TO THE FRENCH GOVERNMENT.

"500 stallions (3 to 7 years);
 "30,000 fillies and mares (18 months to 7 years), type: Ardennais, Boulonnais or Belgian;
 "2,000 bulls (18 months to 3 years);
 "90,000 milch cows (2 to 6 years);
 "1,000 rams;
 "100,000 sheep;
 "10,000 goats.

"(2) TO THE BELGIAN GOVERNMENT.

"200 stallions (3 to 7 years), large Belgian type;
 "5,000 mares (3 to 7 years), large Belgian type;
 "5,000 fillies (18 months to 3 years), large Belgian type;
 "2,000 bulls (18 months to 3 years);
 "50,000 milch cows (2 to 6 years);
 "40,000 heifers;
 "200 rams;
 "20,000 sheep;
 "15,000 sows.

"The animals delivered shall be of average health and condition.

"To the extent that animals so delivered cannot be identified as animals taken away or seized, the value of such animals shall be credited against the reparation obligations of Germany in accordance with paragraph 5 of this Annex.

"7.

"Without waiting for the decisions of the Commission referred to in paragraph 4 of this Annex to be taken, Germany must continue the delivery to France of the agricultural material referred to in Article III of the renewal dated January 16, 1919, of the Armistice.

"ANNEX V.

"1.

"Germany accords the following options for the delivery of coal and derivatives of coal to the undermentioned signatories of the present Treaty.

"2.

"Germany undertakes to deliver to France seven million tons of coal per year for ten years. In addition, Germany undertakes to deliver to France annually for a period not exceeding ten years an amount of coal equal to the difference between the annual production before the war of the coal mines of the Nord and Pas de Calais, destroyed as a result of the war, and the production of the mines of the same area during the years in question: such delivery not to exceed twenty million tons in any one year of the first five years, and eight million tons in any one year of the succeeding five years.

"It is understood that due diligence will be exercised in the restoration of the destroyed mines in the Nord and the Pas de Calais.

"3.

"Germany undertakes to deliver to Belgium eight million tons of coal annually for ten years.

"4.

"Germany undertakes to deliver to Italy up to the following quantities of coal:

"July 1919 to June 1920	4½ million tons,
"— 1920 — 1921	6 —
"— 1921 — 1922	7½ —
"— 1922 — 1923	8 —
"— 1923 — 1924	8½ —

and each of the following five years

"At least two-thirds of the actual deliveries to be land-borne.

"5.

"Germany further undertakes to deliver annually to Luxembourg, if directed by the Reparation Commission, a quantity of coal equal to the pre-war annual consumption of German coal in Luxembourg.

"6.

"The prices to be paid for coal delivered under these options shall be as follows:

"(a) For overland delivery, including delivery by barge, the German pithead price to German nationals, plus the freight to French, Belgian, Italian or Luxemburg frontiers, provided that the pithead price does not exceed the pithead price of British coal for export. In the case of Belgian bunker coal, the price shall not exceed the Dutch bunker price.

"Railroad and barge tariffs shall not be higher than the lowest similar rates paid in Germany.

"(b) For sea delivery, the German export price f. o. b. German ports, or the British export price f. o. b. British ports, whichever may be lower.

"7.

"The Allied and Associated Governments interested may demand the delivery, in place of coal, of metallurgical coke in the proportion of 3 tons of coke to 4 tons of coal.

"8.

"Germany undertakes to deliver to France, and to transport to the French frontier by rail or by water, the following products, during each of the three years following the coming into force of this Treaty:

Benzol.....	35,000 tons.
Coal tar.....	50,000 tons.
Sulphate of ammonia.....	30,000 tons.

"All or part of the coal tar may, at the option of the French Government, be replaced by corresponding quantities of products of distillation, such as light oils, heavy oils, anthracene, naphthalene or pitch.

"9.

"The price paid for coke and for the articles referred to in the preceding paragraph shall be the same as the price paid by German nationals under the same conditions of shipment to the French frontier or to the German ports, and shall be subject to any advantages which may be accorded similar products furnished to German nationals.

"10.

"The foregoing options shall be exercised through the intervention of the Reparation Commission, which, subject to the specific provisions hereof, shall have power to determine all questions relative to procedure and the quantities and quantities of products, the quantity of coke which may be substituted for coal, and the times and modes of delivery and payment. In giving notice to the German Government of the foregoing options the Commission shall give at least 120 days' notice of deliveries to be made after January 1, 1920, and at least 30 days' notice of deliveries to be made between the coming into force of this Treaty and January 1, 1920. Until Germany has received the demands referred to in this paragraph, the provisions of the Protocol of December 25, 1918, (Execution of Article VI of the Armistice of November 11, 1918) remain in force. The notice to be given to the German Government of the exercise of the right of substitution accorded by paragraphs 7 and 8 shall be such as the Reparation Commission may consider sufficient. If the Commission shall determine that the full exercise of the foregoing options would interfere unduly with the industrial requirements of Germany, the Commission is authorized to postpone or cancel deliveries, and in so doing to settle all questions of priority; but the coal to replace coal from destroyed mines shall receive priority over other deliveries.

"ANNEX VI.

"1.

"Germany accords to the Reparation Commission an option to require as part of reparation the delivery by Germany of such quantities and kinds of dyestuffs and chemical drugs as the Commission may designate, not exceeding 50 per cent. of the total stock of each and every kind of dyestuff and chemical drug in Germany or under German control at the date of the coming into force of the present Treaty.

"This option shall be exercised within sixty days of the receipt by the Commission of such particulars as to stocks as may be considered necessary by the Commission.

"2.

"Germany further accords to the Reparation Commission an option to require delivery during the period from the date of the coming into force of the present Treaty until January 1, 1920, and during each period of six months thereafter until January 1, 1925, of any specified kind of dyestuff and chemical drug up to an amount not exceeding 25 per cent. of the German production of such dyestuffs and chemical drugs during the previous six months period. If in any case the production dur-

ing such previous six months was, in the opinion of the Commission, less than normal, the amount required may be 25 per cent. of the normal production.

"Such option shall be exercised within four weeks after the receipt of such particulars as to production and in such form as may be considered necessary by the Commission; these particulars shall be furnished by the German Government immediately after the expiration of each six months period.

"3.

"For dyestuffs and chemical drugs delivered under paragraph 1, the price shall be fixed by the Commission having regard to pre-war net export prices and to subsequent increases of cost.

"For dyestuffs and chemical drugs delivered under paragraph 2, the price shall be fixed by the Commission having regard to pre-war net export prices and subsequent variations of cost, or the lowest net selling price of similar dyestuffs and chemical drugs to any other purchaser.

"4.

"All details, including mode and times of exercising the options, and making delivery, and all other questions arising under this arrangement shall be determined by the Reparation Commission; the German Government will furnish to the Commission all necessary information and other assistance which it may require.

"5.

"The above expression 'dyestuffs and chemical drugs' includes all synthetic dyes and drugs and intermediate or other products used in connection with dyeing, so far as they are manufactured for sale. The present arrangement shall also apply to cinchona bark and salts of quinine.

"ANNEX VII.

"Germany renounces on her own behalf and on behalf of her nationals in favour of the Principal Allied and Associated Powers all rights, titles or privileges of whatever nature in the submarine cables set out below, or in any portions thereof:

"Emden-Vigo: from the Straits of Dover to off Vigo;
 "Emden-Brest: from off Cherbourg to Brest;
 "Emden-Teneriffe: from off Dunkirk to off Teneriffe;
 "Emden-Azores (1): from the Straits of Dover to Fayal;
 "Emden-Azores (2): from the Straits of Dover to Fayal;
 "Azores-New-York (1): from Fayal to New York;
 "Azores-New-York (2): from Fayal to the longitude of Halifax;
 "Teneriffe-Monrovia: from off Teneriffe to off Monrovia;
 "Monrovia-Lome:

from about.....	{ lat. : 2° 30' N.;
	{ long. : 7° 40' W. of Greenwich;
to about.....	{ lat. : 2° 20' N.;
	{ long. : 5° 30' W. of Greenwich;
and from about.....	{ lat. : 3° 48' N.;
	{ long. : 0° 00'.

to Lome;

"Lome-Duala: from Lome to Duala;
 "Monrovia-Pernambuco: from off Monrovia to off Pernambuco;

"Constantinople-Constanza: from Constantinople to Constanza;

"Yap-Shanghai, Yap-Guam, and Yap-Menado (Celebes): from Yap Island to Shanghai, from Yap Island to Guam Island, and from Yap Island to Menado.

"The value of the above mentioned cables or portions thereof in so far as they are privately owned, calculated on the basis of the original cost less a suitable allowance for depreciation, shall be credited to Germany in the reparation account.

"Section II.

"SPECIAL PROVISIONS.

"Article 2½.

"Within six months after the coming into force of the present Treaty the German Government must restore to the French Government the trophies, archives, historical souvenirs or works of art carried away from France by the German authorities in the course of the war of 1870-1871 and during this last war, in accordance with a list which will be communicated to it by the French Government; particularly the French flags taken in the course of the war of 1870-1871 and all the political papers taken by the German authorities on October 10, 1870, at the chateau of Cerçay, near Brunoy (Seine-et-Oise) belonging at the time to Mr. Rouher, formerly Minister of State.

"Article 2½.

"Within six months from the coming into force of the present Treaty, Germany will restore to His Majesty the King of the Hedjaz the original Koran of the Caliph Othman, which was removed

from Medina by the Turkish authorities and is stated to have been presented to the ex-Emperor William II.

"Within the same period Germany will hand over to His Britannic Majesty's Government the skull of the Sultan Mkwawa which was removed from the Protectorate of German East Africa and taken to Germany.

"The delivery of the articles above referred to will be effected in such place and in such conditions as may be laid down by the Governments to which they are to be restored.

"Article 237.

"Germany undertakes to furnish to the University of Louvain, within three months after a request made by it and transmitted through the intervention of the Reparation Commission, manuscripts, incunabula, printed books, maps and objects of collection corresponding in number and value to those destroyed in the burning by Germany of the Library of Louvain. All details regarding such replacement will be determined by the Reparation Commission.

"Germany undertakes to deliver to Belgium, through the Reparation Commission, within six months of the coming into force of the present Treaty, in order to enable Belgium to reconstitute two great artistic works:

"(1) The leaves of the triptych of the Mystic Lamb painted by the Van Eyck brothers, formerly in the Church of St. Bavon at Ghent, now in the Berlin Museum;

"(2) The leaves of the triptych of the Last Supper, painted by Hierick Bouts, formerly in the Church of St. Peter at Louvain, two of which are now in the Berlin Museum and two in the Old Pinakothek at Munich.

"PART IX.

"FINANCIAL CLAUSES.

"Article 238.

"Subject to such exceptions as the Reparation Commission may approve, a first charge upon all the assets and revenues of the German Empire and its constituent States shall be the cost of reparation and all other costs arising under the present treaty or any treaties or agreements supplementary thereto or under arrangements concluded between Germany and the Allied and Associated Powers during the Armistice or its extensions.

"Up to May 1, 1921, the German Government shall not export or dispose of, and shall forbid the export or disposal of, gold without the previous approval of the Allied and Associated Powers acting through the Reparation Commission.

"Article 239.

"There shall be paid by the German Government the total cost of all armies of the Allied and Associated Governments in occupied German territory from the date of the signature of the Armistice of November 11, 1918, including the keep of men and beasts, lodging and billeting, pay and allowances, salaries and wages, bedding, heating, lighting, clothing, equipment, harness and saddlery, armament and rolling-stock, air services, treatment of sick and wounded, veterinary and remount services, transport service of all sorts (such as by rail, sea or river, motor lorries), communications and correspondence, and in general the cost of all administrative or technical services the working of which is necessary for the training of troops and for keeping their numbers up to strength and preserving their military efficiency.

"The cost of such liabilities under the above heads so far as they relate to purchases or requisitions by the Allied and Associated Governments in the occupied territories shall be paid by the German Government to the Allied and Associated Governments in marks at the current or agreed rate of exchange. All other of the above costs shall be paid in gold marks.

"Article 240.

"Germany confirms the surrender of all material handed over to the Allied and Associated Powers in accordance with the Armistice of November 11, 1918, and subsequent Armistice Agreements, and recognises the title of the Allied and Associated Powers to such material.

"There shall be credited to the German Government, against the sums due from it to the Allied and Associated Powers for reparation, the value, as assessed by the Reparation Commission, referred to in Article 233 of Part VIII (Reparation) of the present Treaty, of the material handed over in accordance with Article VII of the Armistice of November 11, 1918, or Article III of the Armistice Agreement of January 16, 1919, as well as of any other material handed over in accordance with the Armistice of November 11, 1918, and of subsequent Armistice Agreements, for which, as having nonmilitary value, credit should in the judgment of the Reparation Commission be allowed to the German Government.

"Property belonging to the Allied and Associated Governments or their nationals restored or surrendered under the Armistice Agreements in specie shall not be credited to the German Government.

"Article 251.

"The priority of the charges established by Article 248 shall, subject to the qualifications made below, be as follows:

"(a) The cost of the armies of occupation as defined under Article 249 during the Armistice and its extensions;

"(b) The cost of any armies of occupation as defined under Article 249 after the coming into force of the present Treaty;

"(c) The cost of reparation arising out of the present Treaty, or any treaties or conventions supplementary thereto;

"(d) The cost of all other obligations incumbent on Germany under the Armistice Conventions or under this Treaty or any treaties or conventions supplementary thereto.

"The payment for such supplies of food and raw material for Germany and such other payments as may be judged by the Allied and Associated Powers to be essential to enable Germany to meet her obligations in respect of reparation will have priority to the extent and upon the conditions which have been or may be determined by the Governments of the said Powers.

"Article 252.

"The right of each of the Allied and Associated Powers to dispose of enemy assets and property within its jurisdiction at the date of the coming into force of the present Treaty is not affected by the foregoing provisions.

"Article 253.

"Nothing in the foregoing provisions shall prejudice in any manner charges or mortgages lawfully effected in favour of the Allied or Associated Powers or their nationals respectively, before the date at which a state of war existed between Germany and the Allied or Associated Power concerned, by the German Empire or its constituent States, or by German nationals, on assets in their ownership at that date.

"Article 254.

"The Powers to which German territory is ceded shall, subject to the qualifications made in Article 255, undertake to pay:

"(1) A portion of the debt of the German Empire as it stood on August 1, 1914, calculated on the basis of the ratio between the average for the three financial years 1911, 1912, 1913, of such revenues of the ceded territory, and the average for the same years of such revenues of the whole German Empire as in the judgment of the Reparation Commission are best calculated to represent the relative ability of the respective territories to make payment;

"(2) A portion of the debt as it stood on August 1, 1914, of the German State to which the ceded territory belonged, to be determined in accordance with the principle stated above.

"Such portions shall be determined by the Reparation Commission.

"The method of discharging the obligation, both in respect of capital and of interest, so assumed shall be fixed by the Reparation Commission. Such method may take the form, *inter alia*, of the assumption by the Power to which the territory is ceded of Germany's liability for the German debt held by her nationals. But in the event of the method adopted involving any payments to the German Government, such payments shall be transferred to the Reparation Commission on account of the sums due for reparation so long as any balances in respect of such sums remains unpaid.

"Article 255.

"(1) As an exception to the above provision and inasmuch as in 1871 Germany refused to undertake any portion of the burden of the French debt, France shall be, in respect of Alsace-Lorraine, exempt from any payment under Article 254.

"(2) In the case of Poland that portion of the debt which, in the opinion of the Reparation Commission, is attributable to the measures taken by the German and Prussian Governments for the German colonisation of Poland shall be excluded from the apportionment to be made under Article 254.

"(3) In the case of all ceded territories other than Alsace-Lorraine, that portion of the debt of the German Empire or German States which, in the opinion of the Reparation Commission, represents expenditure by the Governments of the German Empire or States upon the Government properties referred to in Article 256 shall be excluded from the apportionment to be made under Article 254.

"Article 256.

"Powers to which German territory is ceded shall acquire all property and possessions situated therein belonging to the German Empire or to the German States, and the value of such acquisitions shall be fixed by the Reparation Commission, and

paid by the State acquiring the territory to the Reparation Commission for the credit of the German Government on account of the sums due for reparation.

"For the purposes of this Article the property and possessions of the German Empire and States shall be deemed to include all the property of the Crown, the Empire or the States, and the private property of the former German Emperor and other Royal personages.

"In view of the terms on which Alsace-Lorraine was ceded to Germany in 1871, France shall be exempt in respect thereof from making any payment or credit under this Article for any property or possessions of the German Empire or States situated therein.

"Belgium also shall be exempt from making any payment or any credit under this Article for any property or possessions of the German Empire or States situated in German territory ceded to Belgium under the present Treaty.

"Article 257.

"In the case of the former German territories, including colonies, protectorates or dependencies, administered by a Mandatory under Article 22 of Part I (League of Nations) of the present Treaty, neither the territory nor the Mandatory Power shall be charged with any portion of the debt of the German Empire or States.

"All property and possessions belonging to the German Empire or to the German States situated in such territories shall be transferred with the territories to the Mandatory Power in its capacity as such and no payment shall be made nor any credit given to those Governments in consideration of this transfer.

"For the purposes of this Article the property and possessions of the German Empire and of the German States shall be deemed to include all the property of the Crown, the Empire or the States and the private property of the former German Emperor and other Royal personages.

"Article 258.

"Germany renounces all rights accorded to her or her nationals by treaties, conventions or agreements, of whatsoever kind, to representation upon or participation in the control or administration of commissions, state banks, agencies or other financial or economic organisations of an international character, exercising powers of control or administration, and operating in any of the Allied or Associated States, or in Austria, Hungary, Bulgaria or Turkey, or in the dependencies of these States, or in the former Russian Empire.

"Article 259.

"(1) Germany agrees to deliver within one month from the date of the coming into force of the present Treaty, to such authority as the Principal Allied and Associated Powers may designate, the sum in gold which was to be deposited in the Reichsbank in the name of the Council of the Administration of the Ottoman Public Debt as security for the first issue of Turkish Government currency notes.

"(2) Germany recognises her obligation to make annually for the period of twelve years the payments in gold for which provision is made in the German Treasury Bonds deposited by her from time to time in the name of the Council of the Administration of the Ottoman Public Debt as security for the second and subsequent issues of Turkish Government currency notes.

"(3) Germany undertakes to deliver, within one month from the coming into force of the present Treaty, to such authority as the Principal Allied and Associated Powers may designate, the gold deposit constituted in the Reichsbank or elsewhere, representing the residue of the advance in gold agreed to on May 5, 1915, by the Council of the Administration of the Ottoman Public Debt to the Imperial Ottoman Government.

"(4) Germany agrees to transfer to the Principal Allied and Associated Powers any title that she may have to the sum in gold and silver transmitted by her to the Turkish Ministry of Finance in November, 1918, in anticipation of the payment to be made in May, 1919, for the service of the Turkish Internal Loan.

"(5) Germany undertakes to transfer to the Principal Allied and Associated Powers, within a period of one month from the coming into force of the present Treaty, any sums in gold transferred as pledge or as collateral security to the German Government or its nationals in connection with loans made by them to the Austro-Hungarian Government.

"(6) Without prejudice to Article 292 of Part X (Economic Clauses) of the present Treaty, Germany confirms the renunciation provided for in Article XV of the Armistice of November 11, 1918, of any benefit disclosed by the Treaties of Bucharest and of Brest-Litovsk and by the treaties supplementary thereto.

"Germany undertakes to transfer, either to Roumania or to the Principal Allied and Associated Powers as the case may be,

all monetary instruments, specie, securities and negotiable instruments, or goods, which she has received under the aforesaid Treaties.

"(7) The sums of money and all securities, instruments and goods of whatsoever nature, to be delivered, paid and transferred under the provisions of this Article, shall be disposed of by the Principal Allied and Associated Powers in a manner hereafter to be determined by those Powers.

"Article 260.

"Without prejudice to the renunciation of any rights by Germany on behalf of herself or of her nationals in the other provisions of the present Treaty, the Reparation Commission may within one year from the coming into force of the present Treaty demand that the German Government become possessed of any rights and interests of German nationals in any public utility undertaking or in any concession operating in Russia, China, Turkey, Austria, Hungary and Bulgaria, or in the possessions or dependencies of the States or in any territory formerly belonging to Germany or her allies, to be ceded by Germany or her allies to any Power or to be administered by a Mandatory under the present Treaty, and may require that the German Government transfer, within six months of the date of demand, all such rights and interests and any similar rights and interests the German Government may itself possess to the Reparation Commission.

"Germany shall be responsible for indemnifying her nationals so dispossessed, and the Reparation Commission shall credit Germany, on account of sums due for reparation, with such sums in respect of the value of the transferred rights and interests as may be assessed by the Reparation Commission, and the German Government shall, within six months from the coming into force of the present Treaty, communicate to the Reparation Commission all such rights and interests, whether already granted, contingent or not yet exercised, and shall renounce on behalf of itself and its nationals in favour of the Allied and Associated Powers all such rights and interests which have not been so communicated.

"Article 261.

"Germany undertakes to transfer to the Allied and Associated Powers any claims she may have to payment or repayment by the Governments of Austria, Hungary, Bulgaria or Turkey, and, in particular, any claims which may arise, now or hereafter, from the fulfilment of undertakings made by Germany during the war to those Governments.

"Article 262.

"Any monetary obligation due by Germany arising out of the present Treaty and expressed in terms of gold marks shall be payable at the option of the creditors in pounds sterling payable in London; gold dollars of the United States of America payable in New York; gold francs payable in Paris; or gold lire payable in Rome.

"For the purpose of this Article the gold coins mentioned above shall be defined as being of the weight and fineness of gold as enacted by law on January 1, 1914.

"Article 263.

"Germany gives a guarantee to the Brazilian Government that all sums representing the sale of coffee belonging to the State of Sao Paulo in the ports of Hamburg, Bremen, Antwerp and Trieste, which were deposited with the Bank of Bleichröder at Berlin, shall be reimbursed together with interest at the rate or rates agreed upon. Germany having prevented the transfer of the sums in question to the State of Sao Paulo at the proper time, guarantees also that the reimbursement shall be effected at the rate of exchange of the day of the deposit.

"PART X.

"ECONOMIC CLAUSES.

"Section I.

"COMMERCIAL RELATIONS.

"Chapter I.

"CUSTOMS REGULATIONS, DUTIES AND RESTRICTIONS.

"Article 264.

"Germany undertakes that goods the produce or manufacture of any one of the Allied or Associated States imported into German territory, from whatsoever place arriving, shall not be subjected to other or higher duties or charges (including internal charges) than those to which the like goods the produce or manufacture of any other such State or of any other foreign country are subject.

"Germany will not maintain or impose any prohibition or restriction on the importation into German territory of any goods the produce or manufacture of the territories of any one of the Allied or Associated States, from whatsoever place arriving, which shall not equally extend to the importation of the like goods the produce or manufacture of any other such State or of any other foreign country.

"Article 265.

"Germany further undertakes that, in the matter of the régime applicable on importation, no discrimination against the commerce of any of the Allied and Associated States as compared with any other of the said States or any other foreign country shall be made, even by indirect means, such as customs regulations or procedure, methods of verification or analysis conditions of payment of duties, tariff classification or interpretation, or the operation of monopolies.

"Article 266.

"In all that concerns exportation Germany undertakes that goods, natural products or manufactured articles, exported from German territory to the territories of any one of the Allied or Associated States shall not be subjected to other or higher duties or charges (including internal charges) than those paid on the like goods exported to any other such State or to any other foreign country.

"Germany will not maintain or impose any prohibition or restriction on the exportation of any goods sent from her territory to any one of the Allied or Associated States which shall not equally extend to the exportation of the like goods, natural products or manufactured articles, sent to any other such State or to any other foreign country.

"Article 267.

"Every favour, immunity or privilege in regard to the importation, exportation or transit of goods granted by Germany to any Allied or Associated State or to any other foreign country whatever shall simultaneously and unconditionally, without request and without compensation, be extended to all the Allied and Associated States.

"Article 268.

"The provisions of Articles 264 to 267 inclusive of this Chapter and of Article 323 of Part XII (Ports, Waterways and Railways) of the present Treaty are subject to the following exceptions:

"(a) For a period of five years from the coming into force of the present Treaty, natural or manufactured products which both originate in and come from the territories of Alsace and Lorraine reunited to France shall, on importation into German customs territory, be exempt from all customs duty.

"The French Government shall fix each year, by decree communicated to the German Government, the nature and amount of the products which shall enjoy this exemption.

"The amount of each product which may be thus sent annually into Germany shall not exceed the average of the amounts sent annually in the years 1911-1913.

"Further, during the period above mentioned the German Government shall allow the free export from Germany, and the free re-importation into Germany, exempt from all customs duties and other charges (including internal charges), of yarns, tissues, and other textile materials or textile products of any kind and in any condition, sent from Germany into the territories of Alsace or Lorraine, to be subjected there to any finishing process, such as bleaching, dying, printing, mercerisation, gassing, twisting or dressing.

"(b) During a period of three years from the coming into force of the present Treaty natural or manufactured products which both originate in and come from Polish territories which before the war were part of Germany shall, on importation into German customs territory, be exempt from all customs duty.

"The Polish Government shall fix each year, by decree communicated to the German Government, the nature and amount of the products which shall enjoy this exemption.

"The amount of each product which may be thus sent annually into Germany shall not exceed the average of the amounts sent annually in the years 1911-1913.

"(c) The Allied and Associated Powers reserve the right to require Germany to accord freedom from customs duty, on importation into German customs territory, to natural products and manufactured articles which both originate in and come from the Grand Duchy of Luxemburg, for a period of five years from the coming into force of the present Treaty.

"The nature and amount of the products which shall enjoy the benefits of this régime shall be communicated each year to the German Government.

"The amount of each product which may be thus sent annually into Germany shall not exceed the average of the amounts sent annually in the years 1911-1913.

"Article 269.

"During the first six months after the coming into force of the present Treaty, the duties imposed by Germany on imports from Allied and Associated States shall not be higher than the most favourable duties which were applied to imports into Germany on July 31, 1914.

"During a further period of thirty months after the expiration of the first six months, this provision shall continue to be applied exclusively with regard to products which, being comprised in Section A of the First Category of the German Customs Tariff of December 25, 1902, enjoyed at the above-mentioned date (July 31, 1914) rates conventionalised by treaties with the Allied and Associated Powers, with the addition of all kinds of wine and vegetable oils, of artificial silk and of washed or scoured wool, whether or not they were the subject of special conventions before July 31, 1914.

"Article 270.

"The Allied and Associated Powers reserve the right to apply to German territory occupied by their troops a special customs régime as regards imports and exports, in the event of such a measure being necessary in their opinion in order to safeguard the economic interests of the population of these territories.

"Chapter II.

"SHIPPING.

"Article 271.

"As regards sea fishing, maritime coasting trade, and maritime towage, vessels of the Allied and Associated Powers shall enjoy, in German territorial waters, the treatment accorded to vessels of the most favoured nation.

"Article 272.

"Germany agrees that, notwithstanding any stipulation to the contrary contained in the Conventions relating to the North Sea fisheries and liquor traffic, all rights of inspection and police shall, in the case of fishing-boats of the Allied Powers, be exercised solely by ships belonging to those Powers.

"Article 273.

"In the case of vessels of the Allied or Associated Powers, all classes of certificates or documents relating to the vessel, which were recognised as valid by Germany before the war, or which may hereafter be recognised as valid by the principal maritime States, shall be recognised by Germany as valid and as equivalent to the corresponding certificates issued to German vessels.

"A similar recognition shall be accorded to the certificates and documents issued to their vessels by the Governments of new States, whether they have a sea-coast or not, provided that such certificates and documents shall be issued in conformity with the general practice observed in the principal maritime States.

"The High Contracting Parties agree to recognise the flag flown by the vessels of an Allied or Associated Power having no sea-coast which are registered at some one specified place situated in its territory; such place shall serve as the port of registry of such vessels.

"Chapter III.

"UNFAIR COMPETITION.

"Article 274.

"Germany undertakes to adopt all the necessary legislative and administrative measures to protect goods the produce or manufacture of any one of the Allied and Associated Powers from all forms of unfair competition in commercial transactions.

"Germany undertakes to prohibit and repress by seizure and by other appropriate remedies the importation, exportation, manufacture, distribution, sale or offering for sale in its territory of all goods bearing upon themselves or their usual get-up or wrappings any marks, names, devices, or description whatsoever which are calculated to convey directly or indirectly a false indication of the origin, type, nature, or special characteristics of such goods.

"Article 275.

"Germany undertakes on condition that reciprocity is accorded in these matters to respect any law, or any administrative or judicial decision given in conformity with such law, in force in any Allied or Associated State and duly communicated to her by the proper authorities, defining or regulating the right to any regional appellation in respect of wine or spirits produced in the State to which the region belongs, or the conditions under which the use of any such appellation may be permitted; and the importation, exportation, manufacture, distribution, sale or offering for sale of products or articles bearing regional appellations inconsistent with such law or order shall be prohibited by the German Government and repressed by the measures prescribed in the preceding Article.

"Chapter IV.

"TREATMENT OF NATIONALS OF ALLIED AND ASSOCIATED POWERS.

"Article 276.

"Germany undertakes:

"(a) Not to subject the nationals of the Allied and Associated Powers to any prohibition in regard to the exercise of occupations, professions, trade and industry, which shall not be equally applicable to all aliens without exception;

"(b) Not to subject the nationals of the Allied and Associated Powers in regard to the rights referred to in paragraph (a) to

any regulation or restriction which might contravene directly or indirectly the stipulations of the said paragraph, or which shall be other or more disadvantageous than those which are applicable to nationals of the most favoured nation;

"(c) Not to subject the nationals of the Allied and Associated Powers, their property, rights or interests, including companies and associations in which they are interested, to any charge, tax or impost, direct or indirect, other or higher than those which are or may be imposed on her own nationals or their property, rights or interests;

"(d) Not to subject the nationals of any one of the Allied and Associated Powers to any restriction which was not applicable on July 1, 1914, to the nationals of such Powers unless such restriction is likewise imposed on her own nationals.

"Article 277.

"The nationals of the Allied and Associated Powers shall enjoy in German territory a constant protection for their persons and for their property, rights and interests, and shall have free access to the courts of law.

"Article 278.

"Germany undertakes to recognise any new nationality which has been or may be acquired by her nationals under the laws of the Allied and Associated Powers and in accordance with the decisions of the competent authorities of these Powers pursuant to naturalisation laws or under treaty stipulations, and to regard such persons as having, in consequence of the acquisition of such new nationality, in all respects severed their allegiance to their country of origin.

"Article 279.

"The Allied and Associated Powers may appoint consuls-general, consuls, vice-consuls, and consular agents in German towns and ports. Germany undertakes to approve the designation of the consuls-general, consuls, vice-consuls, and consular agents, whose names shall be notified to her, and to admit them to the exercise of their functions in conformity with the usual rules and customs.

"Chapter V.

"GENERAL ARTICLES.

"Article 280.

"The obligations imposed on Germany by Chapter I and by Articles 271 and 272 of Chapter II above shall cease to have effect five years from the date of the coming into force of the present Treaty, unless otherwise provided in the text, or unless the Council of the League of Nations shall, at least twelve months before the expiration of that period, decide that these obligations shall be maintained for a further period with or without amendment.

"Article 276 of Chapter IV shall remain in operation, with or without amendment, after the period of five years for such further period, if any, not exceeding five years, as may be determined by a majority of the Council of the League of Nations.

"Article 281.

"If the German Government engages in international trade, it shall not in respect thereof have or be deemed to have any rights, privileges or immunities of sovereignty.

"Section II.

"TREATIES.

"Article 282.

"From the coming into force of the present Treaty and subject to the provisions thereof the multilateral treaties, conventions and agreements of an economic or technical character enumerated below and in the subsequent Articles shall alone be applied as between Germany and those of the Allied and Associated Powers party thereto:

"(1) Conventions of March 14, 1884, December 1, 1886, and March 23, 1887, and Final Protocol of July 7, 1887, regarding the protection of submarine cables.

"(2) Convention of October 11, 1900, regarding the international circulation of motor-cars.

"(3) Agreement of May 15, 1886, regarding the sealing of railway trucks subject to customs inspection, and Protocol of May 18, 1907.

"(4) Agreement of May 15, 1886, regarding the technical standardisation of railways.

"(5) Convention of July 5, 1890, regarding the publication of customs tariffs and the organisation of an International Union for the publication of customs tariffs.

"(6) Convention of December 31, 1913, regarding the unification of commercial statistics.

"(7) Convention of April 25, 1907, regarding the raising of the Turkish customs tariff.

"(8) Convention of March 14, 1857, for the redemption of toll dues on the Sound and Belts.

"(9) Convention of June 22, 1861, for the redemption of the Stade Toll on the Elbe.

"(10) Convention of July 16, 1863, for the redemption of the toll dues on the Scheldt.

"(11) Convention of October 29, 1888, regarding the establishment of a definite arrangement guaranteeing the free use of the Suez Canal.

"(12) Conventions of September 23, 1910, respecting the unification of certain regulations regarding collisions and salvage at sea.

"(13) Convention of December 21, 1904, regarding the exemption of hospital ships from dues and charges in ports.

"(14) Convention of February 4, 1898, regarding the tonnage measurement of vessels for inland navigation.

"(15) Convention of September 26, 1906, for the suppression of nightwork for women.

"(16) Convention of September 26, 1906, for the suppression of the use of white phosphorus in the manufacture of matches.

"(17) Conventions of May 18, 1904, and May 4, 1910, regarding the suppression of the White Slave Traffic.

"(18) Convention of May 4, 1910, regarding the suppression of obscene publications.

"(19) Sanitary Conventions of January 30, 1892, April 15, 1893, April 3, 1894, March 19, 1897, and December 3, 1903.

"(20) Convention of May 20, 1875, regarding the unification and improvement of the metric system.

"(21) Convention of November 29, 1906, regarding the unification of pharmacopœial formulæ for potent drugs.

"(22) Convention of November 16 and 19, 1885, regarding the establishment of a concert pitch.

"(23) Convention of June 7, 1905, regarding the creation of an International Agricultural Institute at Rome.

"(24) Conventions of November 3, 1881, and April 15, 1889, regarding precautionary measures against phylloxera.

"(25) Convention of March 19, 1902, regarding the protection of birds useful to agriculture.

"(26) Convention of June 12, 1902, as to the protection of minors."

Mr. LODGE. Mr. President, as it is now 4 o'clock, and we have reached article 283, I move that the Senate adjourn.

The motion was agreed to; and (at 4 o'clock p. m.) the Senate, as in legislative session, adjourned until Monday, October 20, 1919, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

SATURDAY, October 18, 1919.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Father in heaven, we hail with joy and gratitude this a new-born day, token of Thy presence, good will, and continued care.

Help us with pure minds, high ideals, and noble endeavors to hallow Thy name, trusting where we can not prove in a faithful service to our fellow men; ever advancing with a strong heart, a firm step, a helping hand, a sunny smile, a cheering voice, until we all come into the measure of the stature of the fullness of Christ and Thy kingdom be come and Thy will be done in the hearts of all men, under the potent influence of the world's great Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

ENROLLED JOINT RESOLUTION AND BILLS SIGNED.

Mr. RAMSEY, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled joint resolution of the following title, when the Speaker signed the same:

H. J. Res. 230. Joint resolution authorizing and directing the Secretary of Agriculture to prepare and issue a supplementary report on the condition of the cotton crop.

The SPEAKER announced his signature to enrolled bills of the following titles:

S. 55. An act to authorize the Secretary of the Interior to adjust disputes or claims by entrymen, selectors, grantees, and patentees of the United States against the United States and between each other arising from faulty surveys in townships 29 south, range 28 east; also in townships 36, 37, and 38 south, ranges 29 and 30 east, Tallahassee meridian, in the State of Florida, and for other purposes; and

S. 794. An act granting lands for school purposes in Government town sites on reclamation projects.

ORDER OF BUSINESS—THE BUDGET SYSTEM.

Mr. GARD. Mr. Speaker, a parliamentary inquiry. The SPEAKER. The gentleman will state it.

Mr. GARD. Under the rule upon which we are now operating of 12 hours' debate, what is the order of business on next Monday?

The SPEAKER. The Chair thinks that under the rule the rule makes this bill (H. R. 9783) privileged for next Monday.

Mr. GARD. The present bill is privileged for next Monday?

The SPEAKER. The Chair thinks so.

Mr. CLARK of Missouri. Mr. Speaker, has the Chair considered the rule? I am not going to appeal from the decision of the Chair, but it has been my understanding that the only way to get rid of the unanimous consent and suspension of the rules day was by unanimous consent.

The SPEAKER. The Chair is disposed to think that the rule makes this bill privileged next Monday, but, of course, the House can set that aside.

Mr. DOWELL. Mr. Speaker, the Chair held that Calendar Wednesday would not be set aside by this rule.

The SPEAKER. No; Calendar Wednesday would not be set aside.

Mr. DOWELL. What is the difference between the order of business on next Monday and the order of business on Calendar Wednesday?

The SPEAKER. The Chair thinks that upon investigation the gentleman will find that the rule is quite different as to Calendar Wednesday and the Unanimous Consent Calendar. The Chair thinks that it would be in order for the gentleman from Iowa to move to go into Committee of the Whole House on this bill, but the House can vote it down, and in such case the Unanimous Consent Calendar would be in order.

Mr. GARD. My inquiry was whether the Speaker would hold that the rule would authorize this bill to go ahead on Monday to the exclusion of the Unanimous Consent Calendar.

The SPEAKER. In the opinion of the Chair this rule gives a privileged status to this bill, so that it is superior to that of the Unanimous Consent Calendar, and the Chair would recognize the gentleman from Iowa to move to go into Committee of the Whole House on the state of the Union on this bill. Then if that was voted down, the Unanimous Consent Calendar would come up, so that it would be in the power of the House to exercise its option.

Mr. GARRETT. Mr. Speaker, I desire to reinforce the opinion of the Chair by suggesting that there is a provision in the rule that this shall be a continuing order. That is not usually in the rule.

The SPEAKER. The Chair had that in view.

Mr. GARD. Will the gentleman yield for me to ask the gentleman from Iowa if it is his intention to go ahead with this bill on next Monday?

Mr. GOOD. I hope to. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 9783.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. TOWNER in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 9783, of which the Clerk will read the title.

The Clerk read as follows:

A bill (H. R. 9783) to provide a national budget system and an independent audit of Government accounts, and for other purposes.

Mr. BYRNS of Tennessee. Mr. Chairman, I yield 20 minutes to the gentleman from Colorado [Mr. TAYLOR].

Mr. TAYLOR of Colorado. Mr. Chairman, I am perfectly willing, as I think all other members of the Committee on the Budget are, to permit anyone who desires to speak against this bill at this time, because we have already had half a dozen very able speeches in favor of the bill, and no one thus far has said anything in opposition to it. But if no one wants to oppose the measure at this time I will merely make a few very general observations as to the work of your committee, and possibly during the discussion of the bill under the five-minute rule I may go into some of the provisions more in detail.

I feel that this is a bill that every Member of the House ought to give some careful personal attention to. If there ever was a bill that the Members ought to individually study and take the hearings and read them, this is the bill.

As most of you know, this Select Committee on the Budget has held hearings on the subject for over two weeks. We had

some of the most distinguished people in this Republic before us. We were especially honored by the high class of people who favored us with their views and the marvelous amount of practical information that the committee thus obtained. Every Member of this House should, in justice to himself, read the patriotic and excellent statement of ex-President Taft. It is one of the most practical, sensible, and far-reaching and human presentations of this matter that anyone could make.

Let me say to my Republican friends that while this is not a political matter at all, with ex-President Taft, former Secretary of War Stimson, Gov. Lowden of Illinois, MONDELL, and many other high-class men urging the Republican Party to take this matter up at once and get the greater portion of the very great credit for putting it on the statute books, I can not see how anyone on that side of the House can justly oppose as fair, reasonable, just, and necessary a measure as this is. And let me say to my Democratic friends that if we meant what we said in our national platform of 1916; if President Wilson meant what he said in his message to Congress in December, 1917; if Secretary McAdoo and Secretary Glass and John Fitzgerald and Swager Sherley knew what they were talking about—and everyone knows they did—then I can not see how any Democrat can consistently come out and oppose this measure.

This proposition is, in a legislative way, naturally divided into two parts, and we have presented the subject to the House in two separate bills. The bill that is now before the House has nothing whatever to do with this House itself. This bill pertains solely to the executive department of the Government. It pertains to the President of the United States and the 10 departments over which his Secretaries preside. This bill is intended to systematize and regulate the expenditures of all those departments and make the President himself responsible for them.

Mr. KING. Will the gentleman yield?

Mr. TAYLOR of Colorado. Yes.

Mr. KING. What reason had the committee for bringing in this legislation on the floor of the House in installments?

Mr. TAYLOR of Colorado. For the reason that the legislation necessary to create a national budget system is logically divided into two parts. In the first place, we have to have a law creating a budget system and providing who shall make up the budget, and how it shall be made, and what it shall contain; that is, the formation of the budget. That is the first thing, and that must be provided for by a law, and that is what this bill does. The second phase of the budget is the action by Congress on the budget prepared and presented to it by the administrative branch of the Government. The third phase of the budget is the supervision and control of the execution of the budget. The first and third steps are matters of law, and this bill provides for both of them. The second step, the action on the budget by Congress, is to be governed merely by a change in the rules of our House and does not require any law or any action by the Senate. Now, the budget must come from the executive and the administrative departments; and instead of giving all this power and putting all this responsibility upon the Treasury Department, as some people thought we should, we felt that there was nobody but the President of the United States who ought to be responsible absolutely for the fiscal and economic policy and system of our Government. Therefore we placed this duty upon the President of the United States, and we make him officially responsible for the budget and for all of his executive departments, for all the money that Congress must raise, and for the way in which it shall be raised and how it shall all be spent. This bill deals only with the executive—that is, the administrative—features, the first and third phases of this proposed budgetary legislation. There is a great deal of machinery that has to be arranged for by law. We create a bureau of the budget and provide for its officials, and define their duties and require the departments to submit their estimates to the President instead of to the Treasury. This bill provides the action that is required by the President as to when he shall transmit the budget to Congress, also the contents, order, and arrangement of the estimates of appropriations and the complete machinery for the guidance of the President, and for the budget bureau and the various departments, and for the accounting department and its procedure. If this bill does not pass, then there is no necessity for considering the next step—that is, the action by Congress on the budget—because there will be no budget and no necessity to discuss a change of our rules. But if this bill does pass—I am confident it will—and is signed by the President—I am confident it will be—then we should follow it up by the resolution pertaining to change in our own rules of this House. In other words, we have no logical right to pass a very emphatic law regulating the executive departments of the Government unless

we are willing to regulate ourselves in the same direction of economic coordination. But we will determine that matter when we get to it. Our own rules for our own conduct are not at all involved in this bill.

Mr. JONES of Texas. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of Colorado. Yes.

Mr. JONES of Texas. I asked the question yesterday about the hearings that might be conducted after the budget was submitted. Is it the plan to have whatever hearings may be had conducted before a single committee in the House, or will the hearings be divided among the various committees, as they are now, the Military Affairs Committee conducting the hearings with reference to military appropriations and the Naval Affairs Committee with reference to naval appropriations?

Mr. TAYLOR of Colorado. There is no question whatever but that all of these appropriating committees will function the same hereafter as they have heretofore, because one big committee can not conduct all of the hearings. At the same time there will be taken from them only the right of making the appropriations. They can recommend, they can authorize, they can bring in and pass laws, they can provide for the laws applicable to these departments, regulate salaries, and do everything under the sun, practically, that they can at the present time, except to appropriate the money. We felt that there must be some big central committee, and while the House will hereafter determine it, it is possible that the ranking member and the chairman of each of these appropriation committees, the Military and Naval Affairs and all the other appropriating committees, may be members of this large expenditure committee of 35. But, of course, seven or eight appropriating committees will have their investigations and duties to perform just the same. The idea is that there must be some centralized recognized power that can put a brake upon all of these committees, and morally at least on the House itself, and not let one committee run wild in one direction and another committee run wild in another direction, and have no systematic check on any of them. Each of these is naturally ambitious to get as much as it possibly can. There is no economic financial system or cohesive control to our present methods of obtaining estimates or expending the money.

Mr. JONES of Texas. Is it planned to have the budget presented en masse to the House?

Mr. TAYLOR of Colorado. Oh, yes.

Mr. JONES of Texas. Or will it be submitted separately?

Mr. TAYLOR of Colorado. It will be submitted en masse to the House and considered systematically and consecutively as the great national budget, and will be by all odds the most important bill before each Congress, and will probably require weeks to thoroughly consider and pass it.

Mr. JONES of Texas. And the recommendations that are made will be made by one committee?

Mr. TAYLOR of Colorado. Yes; one great appropriation committee of 35 will bring the President's budget, with such changes as they agree upon, all at one time, so that it may all be considered at once.

Mr. JONES of Texas. But the various committees will conduct the hearings?

Mr. TAYLOR of Colorado. Yes; and they can greatly help that one committee and can also be heard before that committee; but sooner or later, some time, some one big, representative committee will come before this House with the official budget, and that budget will be presented to the House. Then the 435 Members of this House will have the right to shoot it to pieces if they can. They have the same authority and right and permission which they have now to increase or diminish it if they have the votes to do so.

Mr. JONES of Texas. These various committees, as such, will not report any appropriations direct to the House?

Mr. TAYLOR of Colorado. They will not make any appropriations; no. They can report laws to the House and they can authorize or recommend appropriations, but they can not appropriate money out of the Federal Treasury. This one committee will have the sole right to do that, and it presents that Federal budget or administration budget to the House with all the various amounts and items that it thinks each of those various departments of the Government is entitled to. We have not taken away from ourselves as Members of Congress, either individually or collectively, a particle of authority to enlarge or cut down or do whatever we please with the administration budget. But at the same time the understanding, the belief, and the hope is that when the administration is politically responsible to the country and when they have the machinery which we give them to do all this work and when they eliminate, as they will, many of the duplications of work and un-

necessary clerks and bring in the budget which they are willing to go before the people with and say that the Government imperatively needs and wants that amount of money and does not want any more and will be responsible for the economic expenditure of that amount of money and that they will not ask Congress for any more, then, as I say, it is for the House to consider and act upon that budget, and if the House changes that amount, either raising or lowering it, we must and will take whatever credit or blame that may be attached to it, and the administration will not be responsible for that increase or decrease. We will have to answer to the people for our action and it will not be so easy hereafter to answer for unnecessary expenditures.

Mr. JONES of Texas. That answers the question very thoroughly, but there is one further question which I would like to ask: Does the gentleman think that the one supercommittee, as you might term it, will have a chance to be as familiar with what might be proper with reference to the naval appropriations or the Army appropriations or any one particular thing as would a particular committee that was assigned to the duty of investigating the various functions of a particular department of the Government?

Mr. TAYLOR of Colorado. We expect that the Committee on Military Affairs and the Committee on Naval Affairs and the Committee on Agriculture and all these other committees will go into the matters pertaining to their departments just as fully as they do now, and we expect them to give this budget committee the benefit of their investigations. Personally I think it might be well for the chairmen and the ranking members of those committees to be members of this large general appropriation committee. They could then see to it that their departments are treated fairly. But that is for the House to hereafter determine.

If we are honest in wanting to hereafter more systematically scrutinize the expenditures of the Government and lighten as much as we can the enormous burdens of taxation, we must make some concessions of some of our individual prerogatives. Somebody has got to have the power to actually economize, and with all of these various appropriation committees running rampant you might say at the present time Congress absolutely can not economize; and as ex-President Taft well says, and all of the other thoughtful people say, it is not fair, it is not honest, it is not consistent, it is not practical for us to drastically regulate the administration and then not be willing to regulate ourselves any. But as I have repeatedly said, that matter will be discussed more in detail when we reach it.

Mr. JONES of Texas. I desire to thank the gentleman for the information, and I want to assure him that I asked the question for information and for information only.

Mr. CLARK of Missouri. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of Colorado. Yes.

Mr. CLARK of Missouri. I am in favor of a budget, and always have been, and always will be. I want to ask this question: If no one except this big committee of 35 or 175, or whatever the number may be, is going to make appropriations, then what sense is there in having the Military Affairs Committee and the Naval Affairs Committee and all of the rest of them conduct these hearings? How would the result of the hearing ever get to this big committee?

Mr. TAYLOR of Colorado. Why, the Members could go before the big committee and be given full hearings before this big Appropriations Committee. If the budget is properly and carefully prepared, as it undoubtedly will be, there will not be as much necessity for elaborate hearings. But every committee can conduct as many hearings as it wants to.

Mr. CLARK of Missouri. If that is true, what is the use of going through this dumb show of having hearings before these various other committees?

Mr. TAYLOR of Colorado. Why, these other committees have a great many duties to perform besides making appropriations of money.

Mr. CLARK of Missouri. I know, but the hearings are held for the purpose of ascertaining as to how large these appropriations ought to be.

Mr. TAYLOR of Colorado. Yes; and somebody has got to make that investigation, and they can do it more thoroughly and give more time to it than a subcommittee from this big committee of 35.

Mr. CLARK of Missouri. How does the big committee get possession of the information that these ordinary committees obtain which now appropriate?

Mr. TAYLOR of Colorado. They get it from the budget bureau. The President must furnish it with his budget, and in addition to that the big committee will have all those de-

partment heads before it, and likely the chairman and ranking member of these committees will or may be members of this committee, and, if so, would give it all the data necessary for their respective committees.

Mr. CLARK of Missouri. They would have to state over again to this big committee precisely what they had heard in this smaller committee?

Mr. TAYLOR of Colorado. Oh, well, that would be only as to the sum total of the necessary appropriations that they had agreed upon. While it is probably the most important one, yet appropriating money is only one of the many functions of these appropriation committees. Of course, the gentleman understands that this matter is going to be debated at length when that resolution comes up. We have not seen fit to take it up now for two or three reasons. In the first place, this bill must go ahead of it and become a law first, if it is going to pass. And, in the second place, we have not the time to consider it now. And, in the third place, it is not expected we could take it up at this session of Congress at all. This is the bill we are now trying to pass. When we pass this bill and it is approved by the President, then we will, as soon as the House can, take up the rule in relation to making whatever changes the House deems necessary in our own House rules. But we have faithfully promised the American people to pass this bill, or some such a bill, and this is our duty now, and after we do pass this bill then it will be our duty to, and I am confident we will, make whatever changes may be necessary in our rules to keep faith with our party-platform promises.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. TAYLOR of Colorado. I do.

Mr. NEWTON of Minnesota. The gentleman has mentioned the fact that this proposed change in the rules making an appropriating committee of 35 would have upon it the chairman and the ranking member of the present appropriating committees of the House?

Mr. TAYLOR of Colorado. I think the House will probably make that kind of a provision in the change of the rules, but it is not in the resolution now. The members of the Select Committee on the Budget have talked that feature over among themselves, but of course it is for the House to determine that. We did not.

Mr. NEWTON of Minnesota. As I understand the proposed change in the rules they do not go that far.

Mr. TAYLOR of Colorado. No.

Mr. NEWTON of Minnesota. They do not include the men who only have the right to be upon one of the committees—

Mr. TAYLOR of Colorado. The committee on committees of the House may determine that. That is a matter for the House regulation, that is a matter of detail hereafter. We leave that feature to the judgment of the House when the time comes.

Mr. NEWTON of Minnesota. Yes; but the proposed change does not provide that Representatives from these appropriating committees shall be on this large Appropriation Committee.

Mr. TAYLOR of Colorado. No. We felt that the Membership of the House should be left free to determine that by permanent rules of the House, or by the steering committee or whatever committee we want to have to determine that matter.

Mr. NEWTON of Minnesota. May I also inquire if it is the plan to place upon this committee of 35 a rather strong representation from the Committee on Ways and Means of the House?

Mr. TAYLOR of Colorado. Yes, sir. I think so. But of course that also is for the House to hereafter determine.

Mr. NEWTON of Minnesota. So that this committee of 35 would have on it representatives from the present appropriating committees of the House and also from the committee that raises revenue?

Mr. TAYLOR of Colorado. Yes, sir. I think the intention is to have that large committee composed of the oldest and strongest Members of the House, representing, of course, all parts of the country.

Mr. NEWTON of Minnesota. That would make it fairly representative, then, of the whole House?

Mr. TAYLOR of Colorado. Oh, yes. We have thrashed this out, I may say to the gentleman, exhaustively, and the men who have given this subject a life study have been before us, and they and we have thought over this matter in view of our form of government, and this is our best determination and this report on this bill is unanimous, and I may say there is no minority report on the other one—that is, the resolution changing the rules of the House—although there are some mental reservations of members of the committee as to the system by which we will regulate ourselves when we reach that time. I want to urge every Member to read the report on this bill prepared by our chairman [Mr. Goop]. It is a very exceptionally clear and forcible presentation of this bill in all its phases.

Mr. GARRETT. Will the gentleman yield?

Mr. TAYLOR of Colorado. Certainly.

Mr. GARRETT. In connection with the change in the rules, this thought has occurred to me and on that I shall be very glad to hear the gentleman: If you leave the several committees—the Committee on Naval Affairs, the Committee on Military Affairs, Post Office and Post Roads, Foreign Affairs, and so forth—all the legislative power that they now possess and simply take from them only appropriating authority, the authority to report appropriations, will it, in the gentleman's opinion, work economy, in view of the fact that you leave the authorizing authority with these committees? In other words, if the gentleman will indulge me—

Mr. TAYLOR of Colorado. Certainly; go ahead.

Mr. GARRETT. As I understand, under the rule that has been reported, I believe, from the Budget Committee—

Mr. TAYLOR of Colorado. Yes.

Mr. GARRETT. And ought to have been referred to the Committee on Rules, I think; however, I am perfectly willing for the Budget Committee to wrestle with it.

Mr. TAYLOR of Colorado. Let me say they considered that very fully and finally decided to allow Mr. Goop to report it rather than Mr. CAMPBELL of Kansas.

Mr. GARRETT. So I heard. Now, the authority to authorize, for instance, battleships, cruisers, and all of the naval program is left with the Committee on Naval Affairs under this rule.

Mr. TAYLOR of Colorado. Yes.

Mr. GARRETT. Now, will it not result in the practical working that this committee will simply come in with its authorization of a naval program, and the Committee on Appropriations, if the Congress shall adopt that authorization, will be in honor bound to make the appropriations required under the law, and will it not simply result that your Committee on Naval Affairs and Committee on Military Affairs, and so on, will legislate, having only the responsibility of authorization without the added responsibility of appropriation?

Mr. TAYLOR of Colorado. I feel, in deference to the chairman of our Budget Committee, that he ought to answer that question.

Mr. GOOD. In answer to the gentleman, I think that is necessarily so. We have a great many committees that report out legislation; that legislation may subsequently require appropriation. Now, take the instance the gentleman has indicated. The Committee on Naval Affairs would and should investigate as to how large a Navy we should have; whether it would be necessary to build one battleship, or two battleships, or a half dozen battleships.

They will investigate into the necessities of the Navy and the size of the Navy. This committee would report all such legislation. No one committee could at the same time look into all the necessities of all the branches of the Government and determine how much should be appropriated and also report all legislation. If that were not the case, the gentleman can see then that there would be no necessity for having all of these appropriation committees and all of these committees of the House that would report out the legislation. But the only intention is to center the finances, the act of financing all of these different activities, in one committee, so that early in the Congress there can be placed before the House on a chart the anticipated revenues for the year and the expected expenditures for the year, that Congress could have the picture at the beginning of the Congress instead of the next day after Congress adjourns, when the chairman of the Committee on Appropriations and the ranking minority Member have their speeches printed in the Record, as has been the custom for a great many years, and Members know the next day after Congress adjourns what the picture is.

Mr. LONGWORTH. Will the gentleman yield to me to ask the chairman of the committee a question?

Mr. TAYLOR of Colorado. I will.

Mr. LONGWORTH. Is it not a fact that the Appropriations Committee up to 1885 was the only committee that had the power to appropriate?

Mr. GOOD. Yes; after its creation had sole jurisdiction. Originally the Ways and Means Committee had appropriating jurisdiction, and that continued until 1865.

Mr. LONGWORTH. So that the distributing of appropriation power among committees is of comparatively recent origin.

Mr. DOWELL. Will the gentleman permit just one question? The Appropriations Committee, as I understand it, will have nothing to do with the policy of the Navy or with the policy of the Army.

The CHAIRMAN. The time of the gentleman from Colorado [Mr. TAYLOR] has expired.

Mr. BYRNS of Tennessee. Mr. Chairman, I yield 20 minutes additional to the gentleman.

Mr. DOWELL. That would still be determined by these committees?

Mr. GOOD. Absolutely.

Mr. DOWELL. And the Appropriations Committee will merely, so far as the appropriations are concerned, carry out the general policy outlined by the other committees?

Mr. GOOD. The only qualification, of course, that would have to be made would be that if we had four billions to expend and the estimate of expenditures amounted to six billions, there would have to be a cut if it was determined not to look to other sources of revenue. So there might be necessarily some cut that might in a way affect the policies, which would be temporary rather than permanent.

Mr. DOWELL. But there would be no disposition whatever on the part of the Appropriations Committee to determine the general policy?

Mr. GOOD. Oh, no; I do not think so at all.

Mr. ALMON. Mr. Chairman, I want to ask the chairman of the Committee on Appropriations if in his opinion the enactment of the present bill into law would make it necessary for the passage of House resolution 324 amending the rules?

Mr. GOOD. No; it would not. The two stand separate and alone. The committee felt this, that here were defects in our present law that ought to be corrected; that we ought to change the law in the respect provided for in the bill.

It also had brought so clearly before it by 37 men who appeared before the committee, that the House ought to change its rules, too, that while we should clean the executive house we ought to clean our own, and the committee was not willing to take the responsibility and say that we would clean the executive house and will not clean our own so as to bring about economy. We brought out both of these measures and have laid the cards all on the table so that the House might determine just what it should do.

Mr. ALMON. It has been suggested by the gentleman from Minnesota [Mr. NEWTON], I believe, that it was contemplated that if this bill now under consideration was enacted into law and House resolution 324 was enacted into law that it would be the purpose to make the membership on the Committee on Appropriations 35, to consist of the present members, numbered 21, and the ranking members from about seven committees, who, having jurisdiction of appropriations, do not make 35, and also suggested a number of members would be taken from the Ways and Means Committee. I do not understand how you could get all those members on a committee of 35. I would like to have the gentleman's views on that.

Mr. GOOD. So far as I am personally concerned, I think this selection of a committee of 35 ought to be from the very strongest men of the House. My own thought is, so far as I am personally concerned, that I shall place in the hands of the committee on committees a letter stating to the committee that my resignation as a member of the Committee on Appropriations is at their disposal, to deal with as to them may seem best. I think the Committee on Ways and Means, that selects the Democratic members of that committee, and the committee on committees, on the Republican side, that selects Republican members, ought to be unfettered, because the big problem before the country for the next 25 years is going to be economy, and you have got to have men upon that committee who are willing to stand against all local demands from the various districts and report out appropriations only that are necessary in order that the Government may economize. I do not know how that would be met by that committee, but I believe by that time the House will be sobered, so that it will be willing to "go to the mat" and select the very best men in the House, men who will stand for economy at all times and under all circumstances.

Mr. CLARK of Missouri. I would like to ask the gentleman from Iowa a question.

Mr. GOOD. I have not the floor.

Mr. CLARK of Missouri. Well, the gentleman can give the gentleman from Colorado [Mr. TAYLOR] some more time.

Did not you and I and some of the rest of us find out here the other day that this House was not in favor of economy?

Mr. GOOD. Well, I have seen the House change in that respect, and I believe it is going to be more and more in favor of economy as the days and years pass and as the Members hear from home.

Mr. LINTHICUM. The gentleman was speaking a while ago about the status of the Naval Affairs Committee after the passage of this bill. Would not the status of that committee after the passage of the bill be the same as the present status of the Committee on Public Buildings and Grounds and the Committee on Rivers and Harbors in that they authorize appropriations?

Mr. GOOD. The passage of the bill does not change the status of a single committee of the House. It does not change

the power or authority of a single committee or of a single Member of Congress. It is the resolution No. 324.

Mr. LINTHICUM. I refer to the resolution. Under that the status of the Committee on Naval Affairs would be the same as the present status of the Committee on Public Buildings and Grounds and the Committee on Rivers and Harbors. They could authorize, but not appropriate.

Mr. GOOD. They could determine the policy and would decide on the size of the Navy, and then the Committee on Appropriations would have to make the appropriations for it.

Mr. ALMON. Mr. Chairman, will the gentleman yield for another question?

Mr. TAYLOR of Colorado. Yes.

Mr. GOOD. I would say, however, that the Committee on Rivers and Harbors is an appropriating committee at the present time a good deal more than an authorizing committee.

Mr. ALMON. But the passage of this resolution No. 324 amending the rules would not affect the present membership of the Committee on Appropriations, would it?

Mr. GOOD. I do not know whether I caught the point of the gentleman's question or not.

Mr. ALMON. I say the passage of resolution No. 324, changing the membership of the Committee on Appropriations and enlarging it from 21 to 35 members, would not affect the membership of the present committee?

Mr. GOOD. Not unless they tendered their resignations.

Mr. ALMON. Not unless they did that?

Mr. GOOD. No.

Mr. TAYLOR of Colorado. Mr. Chairman, I may say to the chairman of the Budget Committee that I am very glad indeed to have had him answer all these questions, because he is so well qualified to do so. I have no pride of opinion or desire to make a speech on this subject. All the members of the committee are unanimously and enthusiastically in favor of this bill. We want to pass it and do everything that will help the passage of it. We have done so much work upon this matter and are so thoroughly impressed with its far-reaching importance that we feel a patriotic pride in this bill and an earnest desire to be of whatever service we can in enacting it into law.

Mr. MOON. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of Colorado. Yes.

Mr. MOON. I want to ask the gentleman as to the first section of the bill. I note that there will be a director at \$10,000 and an assistant director at \$7,500, to be appointed by the President.

Mr. TAYLOR of Colorado. Yes, sir.

Mr. MOON. And then you have some \$5,000 men and some with less salary.

Mr. TAYLOR of Colorado. Yes.

Mr. MOON. What is the tenure of office of these men?

Mr. TAYLOR of Colorado. The tenure of office of the director and assistant director of the bureau is at the will of the President.

Mr. MOON. You do not say so at all. It is simply provided that the President appoints them.

Mr. TAYLOR of Colorado. The President can appoint them, and they are subject to his control. My idea is that the power to appoint implies the power to remove. I think the President could put them out any minute.

Mr. MOON. The bill does not say that.

Mr. TAYLOR of Colorado. No; but those two men, the director and assistant director, are not under civil service and they are intended to be subject to the control of the President. But the other officers who are appointed later in the bill—that is, the comptroller general and assistant comptroller general of the accounting department—are subject to removal only by the Congress of the United States. The President appoints them, but thereafter he has no control whatever over them. They were intended to be made entirely independent of the President and all the executive departments of the Government. They are responsible only to Congress.

Mr. MOON. They are under civil service?

Mr. TAYLOR of Colorado. No. The comptroller general and the assistant comptroller general can not be considered as being under civil service, because they are subject to removal only by the House and Senate, for three causes only.

Mr. MOON. All the employees whose salaries are less than \$5,000, it is provided, shall be appointed from the eligible lists of the Civil Service Commission. They are under the civil-service rules?

Mr. TAYLOR of Colorado. Yes.

Mr. MOON. Then, to get down to facts, you have a life tenure for everything, practically?

Mr. TAYLOR of Colorado. Oh, no. The director and assistant director of the budget bureau hold office only at the will of

the President. All the employees of the bureau under them are under the civil service, and in the same way the comptroller general and assistant hold office subject to the will of Congress, and all the subordinate employees in that accounting department are under the civil service.

Mr. MOON. You do not provide for removing anybody. You provide for appointments, but not for removals.

Mr. TAYLOR of Colorado. Oh, yes. If the Senate and the House of Representatives decide in their judgment by a majority vote that the comptroller general or the assistant is inefficient or guilty of neglect of duty or of malfeasance in office, they can throw him out very quickly, and they will not hesitate to do so.

Mr. MOON. You can throw out anybody by impeachment.

Mr. TAYLOR of Colorado. Let me say this to the gentleman from Tennessee: Our idea was that in some manner we should make these responsible head officers, having such tremendous powers and responsibilities, as independent as possible under our form of Government, and should get as high a class of men as possible, and then give them the powers similar to what such officers have in other countries of the world and allow them to fearlessly cut down and cut out all the thousands of unnecessary expenditures of our Government. They should be absolutely free and independent of official influences. They will have to be cold-blooded and cut down appropriations in every direction that they deem proper and eliminate duplication and any superfluous employees and antiquated methods and antiquated people and inaugurate efficiency and up-to-date business methods, and they have very great and far-reaching responsibilities, and they must have a free hand to properly perform their very great duties.

Mr. MOON. Is not that the way the rights and prerogatives of the people are committed to a clique for plunder?

Mr. TAYLOR of Colorado. Oh, no. We want to get away from that.

Mr. MOON. You have made no provision here for any term of years in the tenure of office of these men.

Mr. TAYLOR of Colorado. No, sir.

Mr. MOON. They practically hold for life. You say they are appointed by the President. You do not provide for their removal by the President. It is a question whether the President can remove them or not.

Mr. TAYLOR of Colorado. Oh, yes; the President can remove the director, and if it is deemed advisable to insert that specific provision in the bill directly giving him that authority, I see no objection to doing so.

Mr. MOON. But the President can not remove the civil-service employees.

Mr. BYRNS of Tennessee. Mr. Chairman, will my colleague yield there?

Mr. MOON. Yes.

Mr. BYRNS of Tennessee. In reference to the two officials to whom the gentleman has referred—that is, to the director and assistant director of the budget—the bill provides that they shall be appointed by the President.

Mr. MOON. Yes.

Mr. BYRNS of Tennessee. Now, there is no definite fixed term of office, and an incoming President will have a perfect right, or the President who makes the appointment will have the right, to call for and demand their resignations whenever he desires to do so, because they hold subject to his will and pleasure.

Mr. MOON. Ought there not to be a tenure fixed?

Mr. BYRNS of Tennessee. No. There should not be a term fixed in the case of these officials, but they should be subject to removal at pleasure, and for this reason: We are trying in this bill to fix a definite responsibility upon the President in the transmission of these estimates. The President has not the time, and it would be impossible for him to go through these departments and get definite information as to the amount of these appropriations and the number of employees required, and therefore we provide this bureau for that purpose. Now, if we are fixing upon the President the responsibility for the transmission of these estimates, certainly we ought to give the President free rein in the selection of the man who is to head that bureau. He ought to be a man in whom the President has absolute confidence, and the President ought to have the right at any minute and in any hour to remove him if he desires to do so.

Mr. MOON. Well, admitting that, it is a very questionable proposition—the gentleman's statement—as a matter of law. If the appointment is placed in the hands of the President with the power of removal, there is no question about it; but if Congress invests in the President simply the power of naming a particular officer, it is very questionable to say whether the President has the right to say what the tenure is to be and remove him from office.

Mr. BLAND of Missouri. Section 12 provides for that.

Mr. MOON. What does it provide?

Mr. BLAND of Missouri. It provides that the President shall remove him and fix the tenure of office.

Mr. MOON. I am only making these suggestions to the gentleman. I do not believe there should be any doubt at all as to the power of the President. I do not believe we ought to create an office without fixing the tenure, and I do not believe one iota in the civil-service proposition you have here. [Laughter.]

Mr. LONGWORTH. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of Colorado. Yes.

Mr. LONGWORTH. Would not the status of this director be the same as that of an ambassador, who is appointed for a fixed term?

Mr. TAYLOR of Colorado. Yes.

Mr. LONGWORTH. And that is the custom always in the Diplomatic Service—that when a new President is inaugurated he receives the resignations of all the ambassadors and ministers. This is on precisely the same basis.

Mr. TAYLOR of Colorado. Yes; and in the same way.

Mr. LINTHICUM. Mr. Chairman, will the gentleman yield for a question?

Mr. TAYLOR of Colorado. In a moment. In the same way, if the director of the budget and his assistant have been exceptionally efficient and have made a splendid record, as we all hope and believe they will, the chances are that no incoming President will want to remove them. He ought to have that power. He does have that power under this bill; but if those officials are exceptionally efficient he will not want to dispense with their services. They are not political positions at all.

Mr. MOON. Why do you not make it clear that he shall have the power?

Mr. TAYLOR of Colorado. So far as I am concerned, I have not a particle of objection to that. That is a matter of detail, to be considered when we come to consider the bill under the five-minute rule for amendments.

Mr. WILLIAMS. Will the gentleman yield?

Mr. TAYLOR of Colorado. Certainly.

Mr. WILLIAMS. The gentleman says the new President, when he comes in, could remove the director.

Mr. TAYLOR of Colorado. Yes.

Mr. WILLIAMS. Could the President who was in, during the term of his office, remove the director?

Mr. TAYLOR of Colorado. Oh, surely he can remove him. If he does not prove efficient, the President can and will remove him at any time.

Mr. WILLIAMS. If there is any doubt about that, it ought to be made clear.

Mr. MOON. What time does your bill provide for the retirement of these people on half pay?

Mr. TAYLOR of Colorado. At the age of 70 years. That only applies to two men.

Mr. MOON. That is exactly the provision as to judges who may be appointed by the President, but can not be unappointed by the President.

Mr. TAYLOR of Colorado. That is a matter of detail. I hope the gentleman will offer an amendment to embody any suggestion which he has in mind.

Mr. MOON. I am against any proposition that turns over control of the revenues to any such a bureau as that.

Mr. LINTHICUM. Will the gentleman yield?

Mr. TAYLOR of Colorado. Yes; I yield to the gentleman from Maryland.

Mr. LINTHICUM. On page 9 of the bill it says that section 236 of the Revised Statutes is hereby amended to read as follows:

SEC. 236. All claims and demands whatever by the United States or against them, and all accounts whatever in which the United States are concerned, either as debtors or creditors, shall be settled and adjusted in the accounting department.

What claims does that cover? What does it mean by "settled"? Does it mean that they shall be paid, or drawn on the Treasury and settled? What class of claims does that refer to? Does that relieve Congress of any of these private claims that come before it, and does it relieve the Court of Claims of any of its work?

Mr. TAYLOR of Colorado. I do not think so. I think that simply means to consolidate all of these five or six auditors that we now have into one department and put them under the Comptroller General and make them go into one office rather than have each one of them auditing his own accounts, which is an entirely illogical and unbusinesslike way of doing and which they are doing at the present time.

Mr. LINTHICUM. I agree with the gentleman about that, but it seems to me that the word "settled" may have a different meaning than he states.

Mr. TAYLOR of Colorado. We do not bring out this bill as the absolute sum total of human wisdom. When you come to consider it, section by section, we will all welcome amendments that will make it better.

Mr. McKENZIE. Will the gentleman yield?

Mr. TAYLOR of Colorado. Yes.

Mr. McKENZIE. Is it the purpose of this legislation that when the budget committee has reported a bill to the House the power of the House to increase those appropriations is shut off?

Mr. TAYLOR of Colorado. Oh, no. The House can do whatever it pleases. We do not take away from this House any power, and we do not take away from any of the Members the power to try to do something; but we feel this way, that when the administration brings in a carefully prepared budget and says to the American people, "This is all the money we want, this is where we are going to get it from, this is what we are going to expend it for, this is our official fiscal policy," and when it has been carefully considered and reported by the large House Appropriations Committee, which may be called its budget committee, our thought is that they will very thoroughly investigate, and that after the items making up this budget have gone through all these different departments and bureaus and the comptroller and the various committees, when a bill is brought in here after that much consideration, the chances are that that bill will not be increased in this House.

In other words, we feel that it will at least somewhat resemble the effect of the official budget that is put before the House of Commons of England or other controlling bodies of the various nations of the world. In other words, it is possible; but we figure that with the character of men that we will have in the 35 members of that committee, and with the investigation they make, and with the power of the executive departments behind it, a bill will not be changed very much on the floor of the House unless there is some very good reason for it. Candidly that is the way the Budget Committee feels.

Mr. McKENZIE. Is it the opinion of the gentleman that under our form of government and under our Constitution it would be impossible to put a limitation on appropriations by the House?

Mr. TAYLOR of Colorado. I do not think it is impossible; but at the same time we doubt the wisdom of it. We do not think any such limitations will be necessary.

Let me say this generally to the Members of the House: The only one feature that has a mental reservation with all of us, and that is somewhat uncertain in the minds of all of us, and that we can not satisfactorily advise you about, is the body at the other end of this Capitol.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. TAYLOR of Colorado. I will take 10 minutes more.

Mr. BYRNS of Tennessee. I yield to the gentleman 10 minutes more.

Mr. TAYLOR of Colorado. As a matter of fact, the House of Representatives has got no right to regulate the Senate, but we do feel that when we bring out the budget in the manner in which we here provide, and if we provide that any amendments that they put on in the Senate shall be subject to a point of order in this House, and guard ourselves in every way that we can, we feel that with the administration and with the power that this House will have of initiating these revenue measures, it will very materially curtail the present custom of the Senate of boosting appropriation bills to the blue sky, nearly.

Mr. LONGWORTH. Will the gentleman yield?

Mr. TAYLOR of Colorado. Yes.

Mr. LONGWORTH. I should like to know how the committee construes section 4, particularly that portion of it which gives to the President the recommendation as to revenues. Is this budget, in addition to suggestions as to appropriations, to contain suggestions for the imposition or raising of revenues?

Mr. TAYLOR of Colorado. Why, yes; in so far as the President sees fit to advise Congress. In other words, we want to put the duty and the responsibility upon the President of the United States to outline and present to Congress, as we feel he ought to, the fiscal policy of this Government; in other words, to show how and where the money is coming from and where he thinks every dollar of it ought to go. In other words, we want to make him put all his financial cards on the table here and before the whole country and be officially responsible for them.

Mr. LONGWORTH. For instance, take the case of this year, where the total expenses for the fiscal year exceeds the sources of revenue from all known sources by more than \$3,000,000,000.

Would it be the duty under this plan for the President to recommend to Congress how that deficit can be made up?

Mr. TAYLOR of Colorado. Yes, absolutely. He ought to tell Congress what his financial policy and ideas are, and then, if necessary, go before the American people and back them up. If we differ with him and change his budget, we will have to answer to our constituents when we go home for reelection.

Mr. GOOD. If the gentleman will allow me, that is the law now, under the act of March 4, 1909.

Mr. LONGWORTH. Since I have been in Congress I have never heard of its being obeyed. Does the gentleman from Iowa remember a case where the President has made such a recommendation?

Mr. GOOD. No; I think it may be that President Wilson, in one of his annual messages, made some suggestion during the war.

Mr. LONGWORTH. Yes; such as a few sources of taxation, but no recommendation as to those taxes. He recommended that this tax should be imposed, for instance, on oil and steel.

Mr. TAYLOR of Colorado. I do not think that President Taft or President Wilson ever carried out that act or enforced that law. It has been practically a dead letter, and still it is a good law.

Mr. LONGWORTH. I understand the purpose of making this provision is to make it the duty of the President to make suggestions and recommendations as to revenue and recommendations as to expenditure?

Mr. TAYLOR of Colorado. Yes; we feel that he ought to frankly and fully let the country know what his policy is. He will have the necessary machinery, and he should do the work and give the country the benefit of his power and opportunity to save the people's money and get the credit for it if he does and be blamed for it if he does not.

Mr. LONGWORTH. In other words, the budget is, so far as the Executive is concerned, a complete recommendation to Congress as to the finances of the Government?

Mr. TAYLOR of Colorado. Absolutely. In other words, we put the responsibility on the executive departments of this Government to tell Congress and the American people what that financial policy is and how to carry out what he promised during the campaign, what his party stands for, and present it to the American people in a way that everybody can understand. Then Congress will take up his recommendations, and we have the absolute power to indorse them or disregard them. If we disregard them we have to answer to the American people for it, whether we raise or lower it.

Mr. HASTINGS. Will the gentleman yield?

Mr. TAYLOR of Colorado. Yes.

Mr. HASTINGS. As I understand, the Budget Committee prepares in detail the budget and transmits it to Congress through the President, stating the various sums that will be necessary to run the Government—

Mr. TAYLOR of Colorado. Yes; and where they are to come from.

Mr. HASTINGS. And where they are to come from—the amount to be used by the Navy Department, the amount to be used by the Army, the Agriculture Department—

Mr. TAYLOR of Colorado. Every activity of the Government.

Mr. HASTINGS. Every activity of the Government, and give it in detail. What I would like to hear the gentleman on is this: I am for the budget and for the bill; but I am against the rule, because I believe when these recommendations are made, for instance, the amount necessary for the Army or the Navy or the Department of Agriculture—I believe that gentlemen of this House who have made a study of that question for years and years are better qualified to say how that appropriation shall be used for the benefit of the Army or other departments than the 35 Members on this committee. I believe that gentlemen, for illustration, on the Post Office Committee who have been on that committee for years and years know more about the expenditure of that money for the benefit of the Postal Service than the men on this committee. I believe that men on the Agricultural Committee will know more about the expenditure of money for the benefit of agriculture than this great committee, and so of all the other departments. That is the one point of difference between myself and the gentleman, and the difference entertained by other Members of the House. Everybody favors a budget system.

Mr. WALSH. Will the gentleman yield?

Mr. TAYLOR of Colorado. I will yield to the gentleman.

Mr. WALSH. I would like to ask the gentleman from Oklahoma what would happen to the country if all the members of the Post Office Committee should be defeated for reelection?

Mr. HASTINGS. The gentleman from Massachusetts understands that that is highly improbable. Some gentlemen have

served here as long as 30 years, some 35, and some 40 years, and there is never an entirely new membership of the House. Let me say that just as soon as you concentrate the power in 35 Members of the House, the Appropriation Committee, the Committee on Rules, and the Ways and Means Committee will control and dominate the legislation of this House, and the rest of the membership of this House might as well go home.

Mr. WALSH. They could resign.

Mr. HASTINGS. The gentleman from Massachusetts imagines that he runs the entire House, and often interjects remarks, whether proper or otherwise; and sometimes they are not entirely appreciated, and some do not appreciate them at all. I want him to remember that there are other Members that ought to be heard and expect to be heard once in a while in addition to the gentleman from Massachusetts.

Mr. WALSH. Will the gentleman yield?

Mr. HASTINGS. I have not the floor.

Mr. TAYLOR of Colorado. I will yield to the gentleman.

Mr. WALSH. Does the gentleman from Oklahoma, who has been here for a great many years—

Mr. HASTINGS. Not many, but a few.

Mr. WALSH. Well, several terms, feel that any one committee or any two committees or any three committees can control the judgment of the entire membership of the House or can get any measure through contrary to the judgment of the majority of the House?

Mr. HASTINGS. They bring the legislation to the attention of the House, and in that way can get consideration of the House. Let me ask the gentleman how the Committee on Agriculture could get any consideration here of any bills before the House, except on Calendar Wednesday or by a special rule? If the committee has had two Calendar Wednesdays, the committee might never be called during the whole session of Congress. We have had experience of that kind a number of times.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. BYRNS of Tennessee. I yield to the gentleman 10 minutes more.

Mr. LONGWORTH. Will the gentleman yield?

Mr. TAYLOR of Colorado. Yes.

Mr. LONGWORTH. Might I suggest that up to 1865 there was only one committee of this House, which had charge of not only appropriations but the raising of revenue?

Mr. TAYLOR of Colorado. That is true.

Mr. LONGWORTH. And many well-known statesmen made handsome reputations, although they were not members of the Ways and Means Committee. It was not until 1885 that any committee except one had the power of appropriation at all.

Mr. TAYLOR of Colorado. There is not a Member in this House who favors economy or who wants to carry out his party platform who can give a sane reason for voting against this bill.

It is a matter that systematizes the executive departments. As far as the other proposition is concerned—that is, our rules—that is a bridge which we will cross when we come to it. That will be time enough to thrash out the rules question and the power of the committees.

Mr. STEAGALL. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of Colorado. Yes.

Mr. STEAGALL. Is it not true that this bill creates quite a number of officers at large salaries?

Mr. TAYLOR of Colorado. Not very many.

Mr. STEAGALL. Are not those places to be filled by men who are to be appointed and who are not responsible to the people of the country who pay the taxes, from whom the representatives of the people hold their positions?

Mr. TAYLOR of Colorado. The heads of the budget are responsible to the President of the United States, and he can cut off their heads in five minutes.

Mr. STEAGALL. Is it not true that some of these officers hold office for life?

Mr. TAYLOR of Colorado. All civil-service employees hold office for life.

Mr. STEAGALL. Is it not true also that, after all, the Congress is not responsible for extravagant appropriations as are the heads of these departments, to whom we listen and who submit to us now their estimates from which we make up our appropriations?

Mr. TAYLOR of Colorado. The gentleman is absolutely correct about that. That is one thing that came out in the hearings. Practically all of these writers upon the budget system, even the authors of many books and articles in all of these magazines, berate Congress for extravagance, but when they came before our committee, as a matter of fact, there was hardly one of

them who knew that the Congress of the United States had saved to the Government of the United States hundreds of millions of dollars by cutting down estimates that were turned in every year by the heads of the executive departments.

Mr. STEAGALL. It is true that in every instance the Congress cuts the appropriations sent in by these heads of departments.

Mr. TAYLOR of Colorado. In almost every instance.

Mr. STEAGALL. Does not the gentleman believe that the representatives of the people, who have to go before them every two years and give an account of their record here, can better be trusted to conserve and economize than men appointed who are not responsible to the people, who hold their office at the will of some one else?

Mr. TAYLOR of Colorado. There is nothing in this bill that would prevent us from preserving and economizing, and we see no reason why the administration should not be put on record to conserve and economize and let the American people know why it does not, if it does not.

Mr. STEAGALL. Does the gentleman believe that if the Members of Congress could have put the responsibility upon the Executive, it would have resulted in any great saving in recent years?

Mr. TAYLOR of Colorado. Yes; I think it would. I think there is a great deal of duplication, and many unnecessary employees, and great waste and unnecessary expenditures, and I feel that if the departments themselves had the responsibility put upon them of going before the American people for reelection and showing where all this money came from and went to we would have made a great saving. Mr. Chairman, I thank the committee for its courteous hearing. [Applause.]

Mr. BYRNS of Tennessee. Mr. Chairman, I yield five minutes to the gentleman from Missouri [Mr. CLARK].

Mr. CLARK of Missouri. Mr. Chairman, I wish to take up the five minutes in catechizing the chairman of the committee [Mr. GOOD], because I want some information. If the chief man in this plan—whatever he is called—is not to be appointed for life, why not say so in this bill?

Mr. GOOD. Does the gentleman refer to the director of the budget or the comptroller general?

Mr. CLARK of Missouri. The comptroller general.

Mr. GOOD. He is not appointed for life. He is appointed during good behavior. He is appointed until the happening of two events—either until he is removed by concurrent resolution of Congress or until he reaches the age of 70 years.

Mr. CLARK of Missouri. That is one question. Why do you not put it in the bill that the President shall have the power to remove this man instantly if he wants to?

Mr. GOOD. The intention was that this department should be more an arm of the Congress than of the executive department. The President will have his bureau of the budget, with a director of the budget, and there should be on the part of Congress an independent establishment, to whom Congress could go for its information, which would be at all times a check and a balance against extravagance upon the part of the Executive.

Mr. CLARK of Missouri. Why put the director and his assistant on the same basis as Federal courts—that when they reach the age of 70 years and have served 10 years they shall be retired on half pay?

Mr. GOOD. That does not apply to the director of the budget. The director of the budget, when he retires, gets no pay at all after he leaves the office, because that man is to be the President's personal man. He will likely go out with the administration. He is the man that the President will hold responsible for giving him personal information that he wants. The comptroller general is a semi-judicial one. I can conceive of no official of the United States who will have more power than the comptroller general of the United States. We ought to invite to that office the very best talent that is obtainable; and in order to do that you must make the tenure of office somewhat permanent and hold out an inducement to the man who may occupy it, so that when he retires, if he is not retired by concurrent resolution, he will have something on which he will be able to live.

Mr. CLARK of Missouri. That is just the beginning of a pension system from civil walks of life, is it not?

Mr. GOOD. No; I do not think so. The gentleman may say that retiring judges of the Federal court was the beginning of a pension system; yet that law has been on the statute books for a great many years, and it was not the beginning of a pension system, and this bill does not extend it except to this officer.

Mr. CLARK of Missouri. But every time some one wants to establish a pension system from civil life the case of the Federal judges is cited as a precedent.

Mr. GOOD. That is true.

Mr. CLARK of Missouri. Why should not another law be passed that if a man serves in Congress 10 years or 25 years or 20 years and attains the age of 70 years, he shall be retired on half pay? What do these appointive officials do, who hold appointive offices, in the way of labor, more than a Congressman does?

Mr. GOOD. I want to call the attention of the gentleman from Missouri to this fact, that this man will pass upon expenditures of several billions of dollars a year. We ought to get the very best man available. I do not know whether you can get a man from the practice of the law or from business pursuits for the amount specified in the bill; but the intention of the committee was to make the salary so it would be attractive, and also to make some retirement provision attractive. The retirement provision is only an incident; it is a detail; and if there is objection to it on the ground the gentleman has specified, why—

The CHAIRMAN. The time of the gentleman has expired.

Mr. CLARK of Missouri. I would like to have five minutes more. I am digging for information.

Mr. TAYLOR of Colorado. I yield the gentleman five minutes additional.

Mr. CLARK of Missouri. Well, now, he gets \$10,000 a year. We get \$7,500. We pass on billions of dollars a year, too. Now, how does he come to be such a big wig? When we come to that section I am going to move to strike out the retirement business and find out about it. Now, another question. Is this comptroller general, or whatever you call him, going to be a member of the Cabinet, with a separate department?

Mr. GOOD. No.

Mr. CLARK of Missouri. You refer all the way through the bill to "the department."

Mr. GOOD. Yes. We provide in section 9 that there is created a department to be known as the accounting department.

Mr. CLARK of Missouri. Yes.

Mr. GOOD. That is the department that is referred to.

Mr. CLARK of Missouri. Now, a department has a certain fixed meaning in the understanding of the American people. It is "the department," and the chief of the department is a member of the Cabinet.

Mr. GOOD. Not necessarily so. I can give the gentleman quite a number of instances where departments do not have a Cabinet member.

Mr. CLARK of Missouri. It is a misnomer, then, to call it a department. A department is a department. Does not the gentleman know that the House has been the most economical body that has anything to do with the finances of this country?

Mr. GOOD. Yes; more economical than the estimating or the executive department.

Mr. CLARK of Missouri. The chiefs of departments, the heads of bureaus, and all that kept exceeding the appropriations here until Congress had to pass a law making it a criminal offense for them to do it.

Mr. GOOD. Yes; that is true.

Mr. CLARK of Missouri. Is this comptroller general, or whoever or whatever he is going to be, supposed to be more economical than the rest of these departments?

Mr. GOOD. Absolutely so. This department is created to put a stop to that sort of thing in the executive department, and the only way you can do it is to have men going out through these other departments 365 days in the year to bring to Congress the information as to the real status in those departments. That is, in part, the purpose of this department.

Mr. CLARK of Missouri. Now, does not the gentleman know that the Civil Service Commission has been hunting around here to find places in which to put—I have forgotten how many, but four or five thousand that some department turned loose here the other day—and the Civil Service Commission stated that they were going to find places to put those discharged people in?

Mr. GOOD. I had not seen that statement.

Mr. CLARK of Missouri. Well, it was in the newspapers. I do not know whether the newspapers were telling the truth or lying about it.

Mr. GOOD. I have not seen the statement.

Mr. CLARK of Missouri. This comptroller general is going to absorb practically all the power there is up there, is he not?

Mr. GOOD. No; the comptroller general will pass first on the legality of every expenditure. Second, he will audit the accounts in a big way for all of the departments, and he will have under him a trained corps of auditors, who will owe their position to the fact that they are auditors rather than that they have performed political services. Political auditors are now

selected. Of the six auditors, only one had ever done any auditing before. The others were men selected because of their political pull, and it is not businesslike for Congress to be held responsible for appropriations and having no check upon the expenditures after they are made. No business institution in the country would give a million dollars to a man to spend for a certain thing and allow him to audit his own accounts. That is the system we have now. We want an independent audit, so that Congress can know whether or not the money it has appropriated has been expended for the purposes for which it was appropriated. And we want him to be able to say it to them without fear of being removed by the executive that he criticizes. That is the purpose of this provision.

Mr. CLARK of Missouri. Another question. Has a single man appeared to testify before this Committee on the Budget who has standing enough to be elected here to the House or to the Senate in his own community?

Mr. GOOD. Did a single man—

Mr. CLARK of Missouri. Did a single man appear before this Budget Committee and advise a budget—and most of them would not know a budget if they met it in the big road—did a single one have standing enough for him to be elected to the House or the Senate?

Mr. GOOD. Well, Mr. Fitzgerald, Mr. Sherley; both have been elected a number of times to this House and rendered wonderful service in this House, and they both advocated it.

Mr. CLARK of Missouri. Both were able men.

Mr. GOOD. Mr. Taft and Gov. Lowden both advocated it.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield the gentleman five minutes additional.

Mr. CLARK of Missouri. I do not want five minutes more.

I want to say this, Mr. Chairman, that I am in favor of a budget system, and this idea of a big committee to transact this business appeals to me very forcibly, but I do not want some office created up here in the administrative department that is going to bully and override the House of Representatives. [Applause.] The patronage of the Government is very strong indeed. I had experiences concerning that early in my congressional career.

Mr. CANNON. Will the gentleman yield for a question?

Mr. CLARK of Missouri. With pleasure.

Mr. CANNON. The Comptroller of the Treasury Department now passes upon appropriations as to whether finally it would be legal or illegal to expend the money for the purpose spoken of. A man by the name of Taylor, of Ohio, was comptroller when I came to Washington. He was a very competent man in every respect.

A law came up for him to construe as to the expenditure of an appropriation. Grant was President. Mr. Taylor would not construe it for the purpose proposed. They could not get him to do it. He said that was contrary to the spirit of the law that made the appropriation. Whereupon word came to him that he must make that construction or he would be removed. His reply was, "I tender my resignation to the President, because I will not make that construction." And President Grant had the good sense to let him stay, and he did stay until he died. Now, I want a man that is not to be subject to patronage in the construction of the law that makes the appropriation.

Mr. CLARK of Missouri. When Congress met in extraordinary session in 1893 we had a caucus here, not of Democrats alone but of everybody who was friendly to silver. There was a membership then of 357. There were 201 Members of Congress in that caucus. They debated it two weeks, and when we called the roll seven times on one day on that proposition, 16 to 1 and 17 to 1, and so forth, the highest vote we ever polled was 101. What did it? Patronage.

One night in February, 1900, or early in March, we had a con-fab here about the President's salary just before President Taft was to be inaugurated. We were scrapping around here as to whether we would raise his salary to \$75,000, and it was solemnly promised on the floor of the House if I would let up fighting that proposition the \$25,000 for traveling expenses for the President would never be asked any more. The statement was made in public. Within three weeks after President Taft was inaugurated a bill was introduced here to give him that \$25,000 for traveling expenses, and I accused gentlemen over there who formerly agreed with me on that proposition that they were not acting in good faith; that they were not telling the truth on that night on which we were scrapping; but they simply laughed at it. They practically admitted that they have fribbed; and President Taft got his \$25,000 for traveling expenses.

Mr. CANNON. Will the gentleman allow me?

Mr. CLARK of Missouri. Yes.

Mr. CANNON. That is a reflection upon the House of Representatives and the Congress.

Mr. CLARK of Missouri. That may be; but I am telling you about this patronage clause. I could give a dozen examples. As one example that I have related is about a Republican and one about a Democrat, nobody can accuse me of talking politics. I am in favor of a budget system, but I am not in favor of giving some Mephistopheles up in these departments authority to do everything.

Mr. GOOD. Mr. Chairman, I yield 45 minutes to the gentleman from Oregon [Mr. HAWLEY].

Mr. HAWLEY. Mr. Chairman and gentlemen of the committee, my part in this debate is to discuss the English financial system and procedure in relation to the preparation, submission, and adoption of their yearly budget, and to state in what respects we adopted or rejected their practice, in order to propose a budget system adapted to American conditions. The committee prepared the pending bill, having in mind our constitutional system, our institutions, and circumstances.

It is well understood by everyone who has studied the budget system that the English practice is the best of its kind and the longest established; it has been under fire and test for a great many years, and it is probably better known than any other.

Charles Dickens, in *David Copperfield*, says:

Mr. Micawber conjured me to observe that if a man had £20 a year for his income and spent 19 shillings and 6 pence he would be happy, but if he spent £20 1s. he would be miserable; after which he borrowed a shilling from me for porter and cheered up.

That, in a way, describes the condition in this country. That is, we have had during our history such ample resources that we were not compelled to worry at any time concerning the revenue necessary to meet the expenditures. And our debt was small in proportion to our ability to obtain funds for the support of the Government. Suddenly we have come to a condition of affairs where our revenues are not adequate for our expenditures, where our debt has suddenly assumed tremendous proportions, where the costs of the Government have increased and will be largely maintained for a considerable period, and where, when we return to normal times and conditions, the incomes of the people who are paying these great taxes will be reduced. It will then be a greater burden on the taxpayers to pay even the amount that they are now paying. We are faced, then, with three conditions, namely, increased debt, increased expenditure, and decreasing sources of revenue in comparison with governmental expenditures.

For instance, take the question of the increase in salaries. We have made increases in salaries, and it is proposed to increase many others. The number of persons employed will be reduced slowly. There are many obligations growing out of the war, the full extent of which we have not realized. Very many other expenses of the Government that have been increased will likewise diminish slowly. We have not yet had time to take stock of the full extent of our new liabilities.

We have had in this country many issues in times past between the different parties, but in my judgment the great issue for many years to come will be the question of financial retrenchment—the reduction of expenditures. I expect to see in this country a great President, who, like Mr. Gladstone, will found his title to fame and lasting glory as President of the American Republic upon the fact that he conducted the administrative affairs of this Government upon a basis of sound economy and obtained the results that ought to be obtained at a greatly reduced expense [applause]; that there will be a race of Secretaries in the Cabinet who will make it their great endeavor to so conduct their departments in an orderly, systematic, and less expensive manner, who will go through them with a lighted candle and discover where eliminations can be made and found their title to the gratitude of the American people upon the fact that they did the service required of them at a greatly reduced cost. And likewise that there will be departmental chiefs who will do these same things. That hereafter Presidents will be elected, parties will be overthrown, upon the question of which party and which man in the great office of President can best serve the people for the least expense.

This bill proposes to take that question under serious consideration and afford a measure and method of its realization.

We propose an ante mortem examination of the patient—the public revenue. We propose that by a certain system of sound financial therapeutics we may restore the sick man and save his life, rather than wait until he is dead and hold a post mortem examination upon him and find out why he died. We propose in the beginning of things, before a dollar is collected or a dollar is expended, that there shall be squeezed out of the estimates

and out of the appropriations and out of the proposed taxation the last dollar that is unnecessary to be taken from the people or spent in the public service.

The Select Committee on the Budget have reported a bill adapted to American conditions, but they have not been unmindful of historical conditions and historical precedents and the experience of other people. I shall therefore discuss three things in the English budget, because those three things are vital to the bill that we have reported.

The first is the preparation of estimates; the second, money in Parliament; and the third is the audit.

Mr. LONGWORTH. Before the gentleman proceeds to take up the English system, may I ask him one question?

Mr. HAWLEY. Yes.

Mr. LONGWORTH. The gentleman is a member of the Committee on Ways and Means?

Mr. HAWLEY. Yes.

Mr. LONGWORTH. He recalls that the late Secretary of the Treasury, Mr. McAdoo, advised that committee to reduce taxes automatically by 25 per cent on the ground that the revenues so derived would be amply sufficient to run the Government for the fiscal year 1919. The gentleman recalls the fact that a few days ago the chairman of the Committee on Appropriations showed that the expenses of the fiscal year 1919 would be something more than \$10,500,000,000, so that we now find ourselves in the position of having automatically reduced taxes to a point where we will not raise more than \$4,000,000,000 in the face of an expenditure of more than \$10,000,000,000. Is it not to avoid just that sort of thing, that sort of wild guessing in the dark, that this bill has been drawn as a remedy?

Mr. HAWLEY. It will do that. It will provide a balanced statement of expenditures and revenues, and it will reduce the expenditures within the possibilities of the revenues, and reduce the revenues to the lowest possible amount consistent with the good of the public service.

There is one fundamental difference between our Government and the English Government. In the English Government the administration, or the executive, and the power that controls the legislation is one and the same body, namely, the cabinet, or ministry, or what is known in their phraseology as "the Government." The House of Commons, as such, never originates a policy. It only approves or rejects a policy proposed by the ministry. If it wishes to maintain a ministry in power, it accepts their policies. If it wishes to overthrow a ministry, it rejects their policies. But in this country Congress initiates policies on its own accord, and it approves all policies submitted by the Executive before they can be adopted. Consequently in our system we must take knowledge of the fact that we must not deprive the Congress of that power which it has long exercised, and which, in proportion to the expenditure, it has wisely exercised. In the last 25 years the Congress of the United States has appropriated \$600,000,000 less than the Executive has recommended. In passing judgment upon the policies of the Executive we have found them at times too costly, or that the proposed work would cost more than the public good to be derived therefrom.

When Mr. Gladstone was prime minister he removed a minister from his cabinet because that man refused to cut down the expenditures of his department within the limits Mr. Gladstone thought that department could be carried on for. The minister said he could not afford to make the necessary and required reduction. Mr. Gladstone said, "They must be made." He dismissed from office that man and appointed another who would accomplish that purpose. We must make it possible to accomplish that result in this country or the conditions that confront us can not be successfully met in the coming years.

The fiscal year in Great Britain begins on April 1. So far as the system is concerned, the commons is supreme nominally. The cabinet is in control as long as it commands a majority of the House of Commons. In the cabinet the prime minister is the chief factor. Under him is the chancellor of the exchequer, for if a prime minister does not take, when he assumes the premiership, the chancellorship of the exchequer also, the next strongest man in the cabinet makes a bee line for that place.

The treasury in England has a double organization—a political and a financial organization. The political organization consists of a chancellor of the exchequer, who is frequently the prime minister, also known as the first lord of the treasury. Then they have four or five junior lords, who are part of the "scenery," but have nothing to do with the finances of the country, except that they are useful occasionally to sign documents; these junior lords act as parliamentary whips. There is a parliamentary secretary, who is the chief whip of the ma-

majority. There is a financial secretary, who is the assistant to the chancellor, both in the administration of the finances in the treasury and on the floor of the House of Commons. These men are all members of the cabinet, and you can see from that how great a voice the fiscal system and the treasury of Great Britain has in the cabinet of England and on the floor of the House of Commons by the number and the character of men who conduct its affairs.

There is then the permanent or financial organization, at the head of which is a permanent secretary. Sometimes the office is divided between the two men. They and the permanent staff under them do not change with the political changes in the Government.

The estimates are prepared in the treasury, and the process is as follows: In October of each year the permanent secretary of the treasury, acting for and on behalf of the chancellor of the exchequer, sends to every spending department a sheet containing, printed on it, every item of expenditure that that department or service was authorized to make in the last appropriation act. The amounts appropriated for that department or service for the last five years are set down in columns printed in for the convenience of the spending department in submitting its estimate, and also to let it know that the treasury is advised as to what the amounts should be. Then the department puts in the amount it estimates as needed for every item printed in the list as the estimate for the ensuing fiscal year.

Such estimates are arrived at in this way: The treasury is in constant touch with every spending department. Here is a department or "service" that wishes to add five men to its staff. They can not do that, even though they have the money appropriated for it, unless the treasury approves that addition of five men in what is known as a "treasury minute." Or it wishes to develop a service, and under the power of virement they have the authority to transfer sums from one service to another within a certain limitation. But they can not spend a dollar more than they did in the preceding year unless they submit that request to the treasury and the treasury minute approves of the change in the organization of that service. These are only illustrative cases; and the treasury has similar authority over many other activities.

That goes on every day in the year. The treasury department decides thousands and thousands of cases. They retain a copy of the minute. The spending service receives a copy of the minute, and if when it makes out its estimate in the estimate blank it wishes to add a clerk, or to change the service a little, or add a new service, it must put in a specially-prepared column the date and number of the treasury minute authorizing the changes; otherwise it is not authorized or warranted to include them in the estimate. So that every day of the year the treasury department is approving or disapproving the actions of the spending departments. The treasury department is, on the part of the executive, the cabinet of England, the power that enables it to hold down the spending department to the last shilling consistent with the proper performance of their public duties.

When the estimate circulars are received back by the treasury department it examines them. It notes every proposed item of expenditure and observes whether they are warranted by a comparison with the appropriations of the preceding year or reference to the treasury minutes. If there is any change at all the treasury then examines the quotation of the treasury minutes to see whether that change was authorized. If not, they require the spending department to show cause why that item should not go out of the estimate.

If there is a change in the organization of the service, the warrant for that must be cited in a treasury minute, and if they can not show warrant of authority for it the spending department is asked to show why that should not go out of the estimate. If a new service is added they make the same inquiry. They look for stowaways all through the estimates to see whether the spending department is attempting to get a new item included in a place where the treasury department will overlook it. Occasionally such an item is overlooked, but rarely. The result is that when the treasury department makes up the estimates, having collected all the estimate sheets, to be presented to the ministry for the ensuing fiscal year, the greater proportion of the items have been agreed on between the treasury and the spending departments. The remaining differences must then be settled. The treasury, in the case of a dispute between the spending departments and the treasury, appoints an interdepartmental committee if more than one department is concerned; otherwise, a departmental committee. The spending department offers its reasons for adding the new service or the new employee, or whatever it may be that they desire the enlargement for. The spending department may yield, the treasury may

compromise, the treasury may yield, or there may be a deadlock. If there is a deadlock, the treasury refers it, on its side, to the chancellor of the exchequer, and the spending department refers it, on its side, to the head of the spending department, and the chancellor of the exchequer and the departmental head then endeavor to come to a conclusion. If they can reach no agreement, it then goes before the ministry. As against the treasury, the head of the spending department has the prevailing voice, in that it can bring it before the chancellor and the cabinet, but as against the head of the spending department the chancellor has the strongest voice in the cabinet, and the cabinet sustains the treasury in every possible case.

For that reason, then, the treasury department of England has grown to be a very powerful organization in the hands of the ministry for holding down the expenditures to the last possible pound consistent with the public good. It is not a department that goes around seeking trouble. Every spending department understands that the special obligation of the treasury is to reduce expenses, and they take it in good part. But it is an all-the-year-round work on their part, and the result is that they have effected some very remarkable economies in the public service.

I quote from Durell's Parliamentary Grants. This, I believe, is the latest book on the English fiscal system and the most authentic:

"The primary object of the treasury, as well as of the public accounts committee, is to complete and secure the control of Parliament over the public expenditure and to maintain financial order throughout the service. The treasury is the central financial authority of the State and all important changes in financial administration should either have its prior authority or at least be brought directly to its notice. 'By immemorial custom, the lords commissioners of the treasury have been constitutionally empowered to control all other departments of the State in matters of finance and public expenditure. In various facts of Parliament and reports of committees of the House of Commons this authority has been from time to time recognized and enforced.' The secretary of the board of audit emphasized the same point in 1865. Unless Parliament for some special purpose empowers some other department than the treasury to authorize expenditure, 'the source,' he said, 'of all administrative authority for expenditure is the treasury. The right of the treasury to determine what the several departments may spend and what they must not spend, though modified occasionally by certain special enactments, is incontestable and rests upon an unbroken prescription which has accordingly the force of law. The treasury, moreover, may exercise this right, provided that it does not transgress any parliamentary requirement in any way it pleases. * * * In short, the power of determining by what means the controlling authority of the Crown over the public expenditure can be best maintained belongs of right to the treasury, and the decision of the treasury as to what expenditure is or is not sufficiently authorized is final and without appeal.'

"This financial control is really the control of the chancellor of the exchequer, exercised through the subordinate or departmental treasury acting as his advisory staff." (D., 241.)

"The functions of the treasury in relation to public finance are to control, to authorize, and to advise apart from its duty of having to secure that the money required is available. It is strictly neither an expending nor a collecting department of the State, but rather the financing department for all other departments. It is responsible for seeing that the consolidated fund is always in a position to meet the demands made upon it, and therefore it is one of the first duties of the financial branch of the treasury to watch the rate at which issues are proceeding—to watch, that is to say, 'the overflow from the sluice,' namely, the issues from the exchequer. This it is able to do by being informed of the daily progress of imprests to the accounting departments, which enable them to carry on their daily expenditure from day to day, inasmuch as the issues are made on its direction. Nor again is it normally an executive department, though occasionally, and indeed frequently, there are many things to be done in the multifarious concerns of the country in regard to which the treasury is compelled to act as a department invested with the initiative, simply because there is no other department to do so. Still, this ought not to be done when there is another department which is able to take the initiative.

"The duty of preparing and consequently of criticizing the estimates on which the budget is to be based devolves upon the treasury, which is therefore necessarily possessed of very great power of control over public expenditure." (D., 242.)

"Economy is never attainable without efficiency—that is an absolute rule." (D., 243.)

"The business of the treasury, apart from policy and its rôle of representing how much money it is wise or not wise to spend, is to find out waste by all official legitimate means, to canvass unwise expenditure, and, by correlating the demands of the different departments, to secure the maintenance of the system of public accounting in them all on a principle of uniformity. It is, as regards the functions which it can exercise, a very effective instrument to produce financial order, for it is the nature of financial criticism to look for defects and propose remedies. It is the department on which Parliament mainly relies for the prevention of financial irregularities on the part of the accounting departments. Its control commences with the preparation of the estimates and continues throughout the various processes of expenditure, accounting, and audit until the final report of the public-accounts committee has been dealt with." (D., 244.)

"In the second place, the treasury is required to write minutes on the reports of the public-accounts committee and of the estimates committee. It is not required to adopt them, but it can not ignore them. Action is required to be taken and the treasury must present its minutes for the consideration of these committees in the next session. If it disagrees with the report, the reasons on which its objections are based must be stated. The committees therefore are not only certain of a hearing when dealing with the treasury but are certain also of ascertaining the attitude of the treasury, and, consequently, of being able to see whether their recommendations will or will not be carried out or whether it will be necessary to appeal to the final arbitrament of Parliament. It is inconceivable nowadays that the treasury should wish to ignore any portion of such reports. The spirit with which the modern treasury is imbued makes it zealous to assist in these improvements and proposals for efficiency, which are the objects aimed at in those reports. Disagreements on matters of principle or procedure are bound to arise, for there are two sides to every question; but the aim of the treasury is the aim of the committees—the settlement of a question in the manner most advantageous to the public service. In practice the treasury invariably takes each item of the reports which calls for notice, observation, or action and expresses a considered opinion on it. These minutes thus provide a valuable insight into the policy of the treasury in relation to principles and practice." (D., 246.)

"Among the chief merits of this central controlling authority are the following:

- "1. It promotes financial order.
- "2. It secures uniformity of system.
- "3. It exercises a valuable influence in advising departments as to organization and similar general questions.
- "4. It compels a department to justify its proposals.
- "5. It acts as an impartial critic on the department's proceedings generally.

"Moreover, the existence of such a factor of control both relieves and strengthens the control of Parliament." (D., 251.)

"This general control by the treasury may, for convenience, be considered under three aspects, namely, control over the estimates, over the expenditure under votes, and over details, though the control so exercised under one of these heads frequently affects and is, in many points, inseparable from the others. Of these the first mentioned is anterior control, the second is concurrent control, and the third is both anterior and concurrent. With retrospective control, as secured by audit, the treasury is only indirectly concerned." (D., 252.)

"The general total, with which the departmental treasury is not officially concerned, being given, the departments draw up the estimates in detail and are required to obtain treasury sanction to them, separately and collectively, before they are presented to Parliament. It is only at this second stage that the subordinate or departmental treasury, as such, intervenes." (D., 253.)

"The control therefore of the subordinate or departmental treasury ends with financial criticism. If the chancellor of the exchequer chooses to call in question the policy of the departments, he does so as a member of the cabinet before the cabinet." (D., 255.)

"It is a constitutional rule that treasury sanction is necessary to any increase of expenditure, save only in the case of the establishments of the two Houses of Parliament. Not only is such sanction a necessity, but it is an obligation on the department, when presenting proposals involving fresh expenditures, to lay all the financial considerations before the treasury in full at the very outset." (D., 259.)

"Outside questions of a policy or technical points, there may be in some classes of expenditure a considerable margin between extravagant and economical administration." (D., 260.)

"The chancellor of the exchequer might make such a demand, and put pressure on a department to cut down its total estimate in order to bring it within the sum which he thinks he can afford." (D., 263.)

"It may be advisable at this stage to consider the form of the estimates in somewhat more full detail. The general form is governed by three main considerations:

- "1. The supply of information to Parliament.
- "2. The preservation of continuity of the votes.
- "3. The maintenance of control.

"And it will be convenient to discuss them from these points of view." (D., 266.)

Mr. DOWELL. Will the gentleman yield for a question there?

Mr. HAWLEY. Yes.

Mr. DOWELL. Does the treasury department of England have the same arrangement that we have in this country—

Mr. HAWLEY. The gentleman must be a mind reader, because I was just going to take up that question.

Mr. DOWELL. I should like to hear what the gentleman has to say about that.

Mr. HAWLEY. Now, the question is, Why not make the Treasury Department in this country the budget-making organization and give it budgetary authority for making the estimates? The reason is very plain. If you have followed this brief analysis—and I must necessarily condense what I had intended to say because of the passage of time—you will observe that the treasury department in England is not a spending department, except to a very limited extent and for its own employees. It has practically nothing to do except this particular work that I have outlined, the preparation of the budget, informing itself by actual contact with the spending departments where reductions can be made, where excessive expenditures are in progress, where any service is overmanned, and in many other particulars, in order to reduce the expenditures to the lowest minimum.

In England the financial question for many years following Mr. Gladstone's ministry was the question that decided the survival or overturn of ministries. For that reason it has been essential to ministries in England that they make economical recommendations; but in order to do that they must have the information upon which to base such recommendations.

The English treasury is not a spending department. The Treasury of the United States is one of the largest spending departments in our Government. The English treasury does not collect revenue; our Treasury does. The English treasury does not administer the debt; our Treasury does. The English treasury does not coin money; our Treasury does. The English treasury does not issue paper money or securities; our Treasury does.

The English treasury does not keep a dollar of public funds in its possession. Our Treasury keeps all the public funds either actually or distributes them in depositories. The English treasury does not have these functions that our Treasury has—the War Risk Insurance Bureau, the Coast Guard Service, the Supervising Architect's Office, the Farm Loan Bureau, the Federal Reserve Board, the Public Health Service, and some other similar organizations.

The English treasury finds itself occupied every day of the year, from one year's end to the other, with preparation of the budget, the examination of proposed expenditures, and the duties outlined above. It does nothing else. If we made the Treasury of the United States the authority for the preparation of the budget in this country, we would have to strip it of all its present functions and give them to some other or new department, and make the Treasury a budget-making bureau, in order to enable the Secretary of the Treasury to give his whole time and attention to this work, since it would require all his time if he did the work effectively. To delegate it to a subordinate would be to court failure. We thought it not advisable to disrupt one great department of the Government in order to make it the budgetary authority. So we created in the office of the President of the United States a system fashioned somewhat like the English system of the treasury for preparing the estimates, under the President of the United States, which shall have the authority to do most of the things I have designated that the English treasury does. We have left to the President to direct its activities. If successful, it will be one of the hardest working of our public services.

We have practically made the President of the United States his own chancellor of the exchequer by giving him the authority to appoint men to make the budget in his office and to be responsible for that budget. We have not added to the powers of the President. We could not do that. He has, and will have, absolute authority over the estimates to be submitted. We have simply created this office, a bureau of the budget, fashioning it

on the approved experience, which shall assist him in discharging his functions. We have given him authority to change the director and assistant director when he pleases if they do not do what he desires. We have given him a permanent official staff, which shall collect information, as the English treasury does, day after day, every hour, from every department of the Government.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. GREEN of Iowa. The gentleman understands that we now have a statute, and have had for several years, in reference to the estimates—

Mr. HAWLEY. The gentleman means the statute of 1909?

Mr. GREEN of Iowa. Yes. Does the gentleman intend to say something about that?

Mr. HAWLEY. Only what President Taft said, that he thought well of it, but that he did not have the machinery to prepare a budget. We are taking away that reason by giving the President of the United States the machinery for preparing a budget.

Mr. FAIRFIELD. Will the gentleman yield?

Mr. HAWLEY. I will.

Mr. FAIRFIELD. About how large a personnel will this personal budget system have?

Mr. HAWLEY. That is something that experience will have to determine.

Mr. FAIRFIELD. Was there any estimate in regard to it?

Mr. HAWLEY. We provide \$100,000 for the office in its inception, and if it functions well it will save several millions.

Mr. FESS. Would it interrupt the gentleman if I asked him one or two questions?

Mr. HAWLEY. I will be glad to answer the gentleman, if I can.

Mr. FESS. Under this bill it will still remain as an executive rather than as a legislative budget. If this bill is carried into effect, it will be an executive budget?

Mr. HAWLEY. It will be an executive budget.

Mr. FESS. You are not taking any power away from the President?

Mr. HAWLEY. We are not taking away any power from the President; we are simply giving him the necessary machinery for the exercise of the power he long ago ought to have exercised, and making it his duty to perform this important part of his public functions.

Mr. FESS. And with the authority you fix the responsibility upon him?

Mr. HAWLEY. He must say when he submits a budget that he has thoroughly investigated the public needs on both the revenue and expenditure sides, that he needs every dollar he asks for, does not need a dollar more and could not get along with a dollar less, and that the proposed revenues are necessary.

Mr. FESS. How independent do you make the auditing system?

Mr. HAWLEY. Absolutely independent from the spending departments. We give it a judicial status. It examines questions as a court examines questions, upon the law and upon evidence.

Mr. FESS. Let me ask the gentleman another question which was discussed some time ago. The power of appointment would carry with it the power of removal unless there was a limitation written into the law.

Mr. HAWLEY. Of which office is the gentleman speaking?

Mr. FESS. I am speaking of the comptroller and the assistant comptroller who are appointed with the advice and consent of the Senate. The power to appoint has always been interpreted to carry with it the power of removal, unless in the appointment there was some inhibition written in the law.

Mr. HAWLEY. We thought that these men, having a judicial status, ought to have a judicial tenure of office. We have thought that they ought to be secure in the tenure of office unless they were incompetent, guilty of malfeasance of office, or dereliction of duty, or have otherwise shown themselves unfit to hold their places. Then they can be removed if in the judgment of the two Houses of Congress they ought to be removed.

Mr. WELLING. But he can not be removed by the President.

Mr. HAWLEY. No.

Mr. FESS. He could be removed by impeachment.

Mr. HAWLEY. Yes; but we provide a more expeditious method.

Mr. FESS. Does the gentleman mean that impeachment proceedings would not lie?

Mr. HAWLEY. No; I do not mean that; but we provide another way, more summary.

Mr. FESS. By concurrent resolution?

Mr. HAWLEY. By concurrent resolution of both Houses of Congress.

Mr. FESS. In other words, the man who is appointed may be independent of the appointing power, and at the same time if the legislative branch finds that he is not desirable, although he may be desirable to the appointing power, the legislative branch can remove him?

Mr. HAWLEY. Yes; he is our officer, in a measure, getting information for us, to enable us to reduce expenditures and to keep advised of what the spending departments are doing. If he does not do his work properly, we, as practically his employers, ought to be able to discharge him from his office.

Mr. FESS. The auditing, then, is entirely independent of the spending departments.

Mr. HAWLEY. From every spending department.

Mr. FESS. That is a great improvement.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. CANNON. As I understand it, when a budget is made in England, as the gentleman has described, although I think he did not refer to it further, if it does not go through, then the Government is turned out and they go to the people. We can not do that. A Senator's tenure of office is six years, ours two years, and the President's four.

Mr. HAWLEY. But I think the distinguished gentleman will agree that that is no reason for not having a well-prepared budget?

Mr. CANNON. Not at all. I am in entire harmony with the removal of this comptroller general by concurrent resolution and making him independent of the Executive, although the Executive appoints him originally. Under the bill he has a fixed tenure, unless the House and the Senate turns out by concurrent resolution that there ought to be some one else there.

Mr. FESS. Mr. Chairman, will the gentleman yield for one other interruption?

Mr. HAWLEY. Yes.

Mr. FESS. Referring to the matter that the distinguished gentleman from Illinois [Mr. CANNON] mentioned, in England the budget has been a great issue, more than any other one issue in the last 50 years.

Mr. HAWLEY. Since the time of Gladstone.

Mr. FESS. As the gentleman will recall, Gladstone came to the front of his tremendous fight against Mr. Disraeli on the budget system. What I was getting at is this: While the responsible ministry system in vogue in Britain and France could not be utilized here, if this plan will fix the responsibility upon the Executive we will have the issue so that while there is no possibility of dissolution and going back to the people it will become a distinctive issue before the country at our periodic elections.

Mr. HAWLEY. That is true. To pass on to the second division, I wish now to discuss money in Parliament. When the budget is submitted to the House of Commons, through the treasury, all the civil estimates are moved by the chancellor of the exchequer. The army and navy estimates are moved by the respective ministers of the army and the navy. The army and navy estimates are on a little different basis from the civil estimates, but I shall not have time now to make the distinction. There is no committee in the House of Commons corresponding to our Committee on Appropriations. They have tried several times to appoint what they call an estimates committee to revise and examine the estimates, but should the estimates committee make any serious changes in the ministry's proposal they create a Government crisis, and the estimates committee therefore has not functioned very well. In the last report of the select committee on reform in the House of Commons—for by the act of 1911 the House of Lords can not refuse its assent to any money bill—they call attention to the fact that the House of Commons is practically a rubber stamp so far as the voting of money is concerned; that they have no authority over any inception of appropriations, in the reduction or character of the appropriations. They are proposing some method for relieving that situation, to give the House of Commons more authority over appropriations to reduce them, especially below the budgetary estimates of the ministry, without causing a crisis in the Government.

I quote the following from Young's *The System of National Finance*:

"It is for the House of Commons alone to grant money and to limit the uses of its grant; it is for the House of Lords to assent to the grant, with the limited power of criticism left to it by the Parliament act. The whole initiative is with the Commons, but in the exercise of that right the House of Commons has imposed upon itself a very important limitation. By

a self-denying ordinance it has deprived the generality of its own members of the power of initiative in imposing charges on the people, and has limited that power to the Crown. By the Crown, since ours is a constitutional and limited monarchy, we understand the King's executive ministers who sit in Parliament and are responsible to it. So the limitation of initiative by the House to the Crown is in fact a limitation to those of its own members who are responsible for the executive government. No grant can be proposed unless a minister demands it. No proposal can be made that a tax be imposed or increased unless a minister signified the assent of the Crown to the proceeding, and thus certifies that the money is needed for the public service. No member not a responsible minister can get up and propose the imposition of a public charge on his own initiative. The matter is regulated by a standing order of the House of Commons. It is No. 66 which provides that "this House will receive no petition for any sum relating to the public service or proceed upon any motion for a grant or charge upon the public revenue, whether payable out of the consolidated fund or out of money to be provided by Parliament, unless recommended by the Crown."

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. GREEN of Iowa. And for the reasons that the gentleman has just stated, he has discovered, of course, as have the rest of us who have read the parliamentary debates, that the estimates are not discussed in the House of Commons as they are here.

Mr. HAWLEY. I am coming to that. The estimates are submitted in the form of votes. There are 150 votes in the Book of Estimates. The whole budget is submitted at once. When the estimates are submitted to Parliament, the chancellor makes what is known as the budget speech, in which he discusses the policies of the dominant party, and especially as they are implied in the estimates. Then the opposition asks to be heard on certain parts of the budget which they propose to make the issues in the next election. These are submitted to the House of Commons, and the house, after a certain number of days, determines by vote the order in which they shall be considered. Members of the dominant party may submit questions, but the opposition is usually given the privilege of presenting its issues. That is on the old theory that before a grant of money can be made in England a redress of grievance must be had. Twenty days are given from the time of meeting in February to adjournment on August 5 for the consideration of the budget. There are no appropriation committees that ever investigate a single item before they vote. There is no consideration by a Committee of the Whole House on the state of the Union, such as we have under the five-minute rule. When the first of the 20 days has arrived, and the days for discussion are set at various periods between February and August 5, they set up what they call "supply," or, as we would say, go into the Committee of the Whole, the motion being "that Mr. Speaker do leave the chair." A chairman of the committee on supply is appointed. Then the opposition makes its attack on certain policies of the ministry, and the ministry reply. This discussion continues during the days set until, as frequently occurs, practically the whole time is consumed without any investigation of special value of the items proposed by the spending departments.

Mr. GREEN of Iowa. And they never go into detail.

Mr. HAWLEY. Never going into detail. The members of the House of Commons have no idea of what the details are so far as the parliamentary proceedings are concerned. They can get them from the reports if they will dig them out. After 18 days of debate have thus been had the nineteenth day comes as the day of judgment. The chairman calls the votes in order. If, for instance, there have been passed 10 votes in the preceding 18 days, then on the nineteenth day he calls the eleventh vote, the twelfth vote, the thirteenth vote, the fourteenth vote, and these are passed in order down to the one hundred and fiftieth vote—passed under what they call the guillotine and without any debate.

It is impossible under their rules for any objection to be offered to any expenditure while the guillotine is falling on the votes. On the twentieth—these 20 days may be extended to 23 at the application of the opposition with the consent of the ministry—on the twentieth day the House of Commons then reports, like we do from our Committee of the Whole House on the state of the Union, back to the house the action of the committee on supply, that it has voted the budget. On that day they agree to the report of the committee on supply, as we agree in this House on a report of the Committee of the Whole House on the state of the Union. Now, these votes are only

authorizations. They are not appropriations under which the spending department are authorized, when the votes are passed, to begin spending the money so voted, but must await the passage of the annual appropriation act, which is always passed a few days before adjournment on August 5. Then they set up the ways and means committee and vote the taxes necessary to meet the appropriations.

Mr. FESS. Will it interrupt the gentleman for me to ask him one more question?

Mr. HAWLEY. When I finish this statement. They set up a ways and means committee in the same way they set up the committee on supply to vote the taxes, and when that is pending no motion is in order to change the proposals of the ministry.

Mr. FESS. The gentleman has answered my question, but he made some statement that the members of the House of Commons did not know the details. There is a reason for that, because they are not permitted to make any motion to change any of them.

Mr. HAWLEY. The only motion permitted is to reduce an item, and that has not been appealed to for many years.

Mr. FESS. The gentleman answered my question before I asked it.

Mr. HAWLEY. Then one other item—

Mr. WELLING. Will the gentleman permit a question?

Mr. HAWLEY. Yes.

Mr. WELLING. Suppose the opposition in the British Parliament should succeed in their attack upon any item?

Mr. HAWLEY. Any vote?

Mr. WELLING. Any item of the budget, and should obtain an adverse vote. Would Parliament at once go to the country?

Mr. HAWLEY. There are three options open to the ministry. They may consider that the house had not expressed a want of confidence in them, and that is one of the special recommendations of the ninth report of the select committee of 1918, that in order to give a great opportunity to the House of Commons to reduce the expenditures the ministry need not make a particular vote the subject of political consideration. They can consider that the house has not lost confidence in them and risk another vote. That very seldom occurs. They may resign from office and let a new ministry assume office or they may ask the Crown, which is the ministry, to dissolve Parliament, thereby terminating the service of every member of the house, and go to the country to elect an entirely new body, to determine whether the new body so elected will support the ministry or the opposition.

Mr. FESS. Will the gentleman yield for one other question, and this is the last one?

Mr. HAWLEY. I yield to the gentleman.

Mr. FESS. This is the last, and I shall not further interrupt the gentleman. I put the question to him because he is very familiar with the history of this procedure. Did the committee consider at all the advisability of preventing a motion from the floor of the House to change items in the bill that is to be reported by the thirty-five?

Mr. HAWLEY. The gentleman means from our Budget Committee?

Mr. FESS. Yes.

Mr. HAWLEY. The Budget Committee considered that and the fact that the Congress approves all policies proposed by the Executive before they become effective and originates entirely the greater proportion of the policies of our country, and thought it advisable not to handicap the membership of the House by providing that Members should not be given an opportunity freely to offer amendments on the floor of the House.

Mr. FESS. And those amendments could not be thrown out on a point of order?

Mr. HAWLEY. Only under the rules as now constituted. Now as to the question of audit. The treasury of the English Government, having held the estimates to the lowest possible shilling consistent with the public good and the budget having been passed by the House of Commons, the spending departments are now in a position to ask that funds be made available for their work. The public funds are generally held in the consolidated fund in the Bank of England. Before they can get a shilling the treasury applies to the comptroller and auditor general for permission to have issued to the treasury—

The CHAIRMAN. The time of the gentleman has expired.

Mr. TEMPLE. Does the gentleman desire more time? If so, I am authorized by the chairman [Mr. Goon] to extend the time of the gentleman. How much time does the gentleman desire?

Mr. HAWLEY. Could I have as many as 15 minutes?

Mr. TEMPLE. I yield that time to the gentleman.

The CHAIRMAN. The gentleman is recognized for 15 additional minutes.

Mr. HAWLEY. To repeat that statement because of the interruption. Before the treasury can make available to the spending department a pound it must apply to the comptroller and auditor general for permission to have a credit at the Bank of England. That letter sets forth in some detail the services for which the money is desired, the amount for each service, and the period of time during which it is to be used. The comptroller and auditor general having examined the law and the appropriations and finding that these services have this money appropriated for their use, that the proportion asked for is not in excess of what they should use for the time specified in the request, issues the necessary authorization. The treasury then has a credit at the Bank of England available for the proposed expenditures. It, in turn, receives applications from the paymasters or spending officers of the services for a credits on their behalf. The treasury likewise makes what further examination may be necessary and advises the Bank of England that the spending departments are to be credited with specified amounts of money to be spent within a certain time, but not a pound more can be spent within that time without special treasury sanction, and this special treasury sanction must be supported by a new permit from the comptroller and auditor general for additional credit.

Now, the spending departments having their credit begin their expenditures, and the minute they begin an expenditure the comptroller and auditor general, on his side, representing the House of Commons, as their special officer, has the authority and power to have sent to him every document, every voucher, every contract made by any department, or the papers relating to any expenditure authorized by any department, to see whether they comply with the law and are within the appropriation and the limit of credit established. He can disallow items when he decides the expenditure to be unauthorized, and he reports all irregularities to the public accounts committee of the House of Commons for their consideration. The comptroller and auditor general follows the course of business in every department day after day.

His staff examines the accounts and operations of every department, as the Treasury does. The Treasury and the comptroller and auditor general have cooperative working arrangements, for both have the same purposes in view. When they have any spending service on the carpet, the Treasury sits with the comptroller and auditor general and the public accounts committee. The Treasury Department, in preparing the estimates, holds an ante mortem examination to save the life of the patient if they can. The comptroller and auditor general conduct a post-mortem examination to see why the patient died and how to save the next. The comptroller and auditor general have the same status in England as we propose to give our comptroller and auditor general, a judicial status and a life tenure.

It will be noted that the office of comptroller general proposed to be created by the bill does not give as wide powers or impose as many duties upon the comptroller general as are given to and exercised by the comptroller and auditor general in England. Experience will show, however, in what particulars we should amplify the powers of the comptroller general.

Mr. TILSON. Will the gentleman yield there?

Mr. HAWLEY. Yes.

Mr. TILSON. In order to make him correspond more nearly to the corresponding British officer, would he not be removable by the two Houses of Congress? That is, easily removable. He is under this bill, as I understand, removable, but for such cases as are enumerated. It may be somewhat difficult to do.

Mr. HAWLEY. The gentleman may have failed to note a very significant phrase, "when in their judgment."

Mr. TILSON. If it were done it would have to be for one of the causes enumerated?

Mr. HAWLEY. He is summarily removed, and that is the end of it.

Mr. TILSON. On that line he should be easily removable by the responsible party in power in Congress.

Mr. HAWLEY. Yes; it is so provided. The Treasury prepares all the forms of accounting.

It prepares and sends out, as I have already noted, the estimates circular, so that the estimates come in in a uniform character. They do not allow changes in the form of estimates, except upon urgent necessity, so that year after year, if anyone desires to make comparisons, he can easily tabulate the expenditures for any particular service and see whether that service is growing or diminishing in cost. The treasury sends out all forms of accounting and costing, to keep understandable public records, so that when one official goes from one department to another making inquiries as to any accounting or any costing

matter he is as familiar with the system in that department as he is with his own. They have the same kind of costing and accounting and other arrangements in one department that they have in another. That is one thing we hope our comptroller and auditor general and our budget committee will require to be done. It will greatly simplify the keeping of the public accounts and thus increase the value of any financial information that we receive.

In conclusion, unless there is some further question—

Mr. HASTINGS. I would like to ask the gentleman a question if it will not interfere.

Mr. HAWLEY. Yes.

Mr. HASTINGS. Did the Budget Committee consider recommending a change in the Constitution so as to permit the President vetoing separate items in appropriation bills?

Mr. HAWLEY. We did not. I do not think that was in the purview of the resolution creating this committee. It specified two things—the proposed legislation on the budget system and proposed amendments to the rules.

Mr. HASTINGS. In my judgment, that would enable us to cut out a good many items of doubtful propriety in appropriation bills.

Mr. HAWLEY. I think it would result in that in many instances. I understand the State of Illinois in its budget system has given, by an amendment to its constitution, that power to the governor.

Mr. PLATT. Under the system proposed—

Mr. HAWLEY. And Ohio, too, I am informed.

Mr. HASTINGS. And Oklahoma, also, has.

Mr. HAWLEY. We are getting some valuable testimony.

Mr. PLATT. It has been so in New York for a long time. Under the system proposed the President would have to approve the estimates in advance.

Mr. HAWLEY. He will necessarily approve the budget before he submits it to Congress, but like any sensible man, with a balance wheel in his head, he should change his mind if the facts justify.

Mr. TILSON. After all, Congress has the right to increase his estimates even then.

Mr. HAWLEY. I wish to speak on the responsibility of Congress under this system. When the budget is received by Congress it has been approved by the President. He has said to us he needs that amount of money, not a dollar more, and can not get along with a dollar less. When it comes before Congress we have two responsibilities. If we accept his budget without change, we share the responsibility with the President. If we change that budget by reducing items or by increasing items, by eliminating items or adding items, we have assumed a responsibility of our own in addition to that responsibility we have in the matter of the items that the President submitted and which we adopted without change. We have not changed the responsibility of the House in this bill; we have not changed the opportunity of the House to examine the estimates. The committees can go just as thoroughly into them as they ever have gone, and they can go more thoroughly into them. With the independent auditing system, we can get immediate information. Every committee will have in the auditor's department a staff that can be put, in case of need, to gathering information quickly. We will not have to introduce a resolution in the House, have it considered, send it down to a department, and, after waiting a time, politely inquire whether or not they received our letter; and then, when we do get the information, have it practically of no value. We will have an expert accounting department that will quickly submit authentic information. That will increase the power of Congress over appropriations, but at the same time it will increase our responsibility in the matter of making appropriations.

Mr. FESS. Will the gentleman yield for a question?

Mr. HAWLEY. Yes.

Mr. FESS. My only fear is, if the Congress still retains the right, which I think it will have, to either increase or reduce, will not that, in a way, shift the responsibility from the President so that, while he has the estimates now, he does not feel any responsibility, because Congress does it in the finality?

Mr. HAWLEY. In answer to the gentleman's question, I will state my opinion. I do not wish to attempt in any way to bind the committee. While I respect the great office of President, and hope that it will always be conferred on men competent for its great duties, yet I have known in our history men to go from this body to that great office and fill it with high renown. I would not tie the hands of the Members of the House or impair their opportunities or diminish their chances of rendering public service to the country in the initiation of great public policies. If a man sitting in the President's chair can inaugurate great policies leading to the expenditure of money, that

same man, as a Representative, or men of equal ability, standing on the floor of Congress are just as competent to inaugurate policies for the public good. [Applause.] I believe in making the House of Representatives, which is the truly representative body in this country, because of our direct elections and short terms, just as strong as possible. This is the place where the people of the United States can secure the quickest response if they object to anything that is being done in the public service.

Among the men who have been Presidents of the United States, John Quincy Adams, William Henry Harrison, John Tyler, Franklin Pierce, James Buchanan, and Andrew Johnson served both in the House and Senate; James K. Polk, Millard Fillmore, Abraham Lincoln, Rutherford B. Hayes, James Garfield, and William McKinley served in the House only; and James Monroe, Martin Van Buren, and Benjamin Harrison served in the Senate only; that is, 15 out of the 26 Presidents of the United States have served in one or both Houses of Congress.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. BYRNS of Tennessee. Mr. Chairman, I yield the gentleman five minutes more.

The CHAIRMAN. The gentleman is recognized for five minutes more.

Mr. McKEOWN. Mr. Chairman, will the gentleman yield for a question?

Mr. HAWLEY. Yes.

Mr. McKEOWN. In the discussion of the procedure in England was it considered in the committee as to the other parts of the procedure where the department bureaus are called into the House of Commons to answer questions from Members? Was that considered in any way in connection with the procedure here?

Mr. HAWLEY. When we had the witnesses before us that was discussed to some extent. It was in the minds, I am confident, of all the members. When the chancellor of the exchequer moves any vote, the heads of the particular services which have the expenditure of the money under the vote are at his side to afford him information necessary to answer questions that may be asked.

Mr. McKEOWN. Was that considered as to whether any of that procedure would be carried out here under this system?

Mr. HAWLEY. You mean to have the President's Cabinet with his subordinates appear here from time to time when we were discussing the appropriation bills and defend the items we discuss on the floor?

Mr. McKEOWN. Yes. In that particular I understand that in the English system members of the house can file with the clerk of the house questions in writing, to be propounded to the heads of these departments with reference to expenditures, and they are required to answer them.

Mr. HAWLEY. Yes. They are given two days' notice and required to answer them.

Mr. McKEOWN. Was anything of that kind discussed in the committee as applicable to the procedure here under this system?

Mr. HAWLEY. We had that under consideration in a general way, but when we ascertained that it was not advisable to have the Secretaries of the Cabinet come on the floor of the House and defend their estimates, that particular proposition of course went with the others.

In the treasury estimate circulars sent out in October there are two things that are like what the Hon. JAMES R. MANN once said of the last lines of *Thanatopsis*, that the Government Printing Office kept them set up in stereotyped form for use in eulogies.

There are two stereotyped statements in that circular. One is that the state of the revenue demands the utmost economy; and if there is anything a spending department in England hears, morning, noon, and night, it is that statement, because when the duty devolves upon the treasury to decide some particular issue, they cite that statement about the state of revenue demanding economy, and I suspect the heads of departments over there could sing it in chorus. But it is excellent advice. It has resulted in the reduction of a vast amount in the estimates and in the saving to the people of great sums of money. The other is that the preceding year's appropriation must not be taken as the starting point for this year's estimates. I once served on an appropriation committee. I think there is one vice prevalent we should correct if we can, and that is the practice of assuming last year's estimates or appropriations as a starting point. The British treasury, even if there is no change in the appropriations, compels the spending departments when it writes the estimate opposite the item (the same amount it may be as in preceding years) to show good cause why it should be continued at all, or why it should not be reduced. They will not allow them

to begin on the last year's appropriation and build up on that, and so permit the pyramiding of appropriations. The British treasury assumes that the spending department is not entitled to a dollar for any service unless it can make a good showing, and it seems to me it is a good, sound financial policy to inaugurate here, so far as it may be necessary.

Mr. McKEOWN. Will the gentleman permit another question?

Mr. HAWLEY. Yes.

Mr. McKEOWN. From his investigations of the British financial plan, can the gentleman say whether or not it is the policy of the British Government to carry on its Government with very many less employees in its various departments than ours, as compared with our Government in the same kind of work?

Mr. HAWLEY. I looked for the information and obtained it only inferentially, but I am of opinion that the personnel cost in Great Britain is less than the personnel cost in this country. I have no comparative statement, but that is my opinion. They annually appropriate \$1,000,000,000, about the same amount we appropriate in normal times. It costs them less for each dollar of service than it costs us by reason of the treasury control over the addition of personnel.

Now, suppose we authorize in an act the addition of certain men to a department or to a special bureau. The appointing officers here have the absolute right to appoint them without any official from any accounting department making an examination to determine whether they really need them, or whether after they have had them three months they should be continued or whether after they have had them six months they should be continued. Since the estimates are made many months prior to the taking effect of the appropriation conditions may have so changed that a smaller additional number could do the work required. But when the British Parliament under the estimates makes an appropriation, we will say, for the addition of 10 persons to any particular service, before they can employ them—they are appointed by the treasury—before the treasury will employ all or any of them, that department must convince the treasury that there is need for some or all of them. The expenditure of appropriations is not considered mandatory. The treasury then raises the question, "Do you need 1 man or 10 men for the year or for six months, or for three months, or for nine months?" They can raise this question at any time, and just as soon as the spending department can not justify to the treasury department the employment of the 1 or the 10 they are dismissed. The treasury department has authority to terminate their service.

Mr. PLATT. In the House of Commons, when a new policy is determined upon which is going to call for a considerable expenditure, such, for instance, as old-age pensions, that goes in as a part of the budget, does it not?

Mr. HAWLEY. Yes.

Mr. PLATT. The change of policy is incorporated in the budget. Of course we can not do that. We have made no provision for such a thing as that. Our budget simply takes care of routine expenditures.

Mr. HAWLEY. The English budget provides for the authorized expenditures. The legislation usually precedes the budgetary estimate; after the legislation is enacted, the estimate is brought in.

Mr. PLATT. Do not the two go together when there is a new policy established?

Mr. HAWLEY. There are bad exceptions to all good rules, but I have stated what I understand to be the principle.

Mr. TILSON. Will the gentleman yield right there?

Mr. HAWLEY. Yes.

Mr. TILSON. The gentleman speaks frequently of the English treasury, but does not the treasury in the English Government occupy much the same position that the bureau of the budget would occupy under this proposed new system here?

Mr. HAWLEY. I made that clear at the beginning of my treasury and ours, and said that the English treasury was, in its operations, similar to the bureau of the budget which we propose, and not at all like our Treasury, except that it spells its name in the same way.

Mr. TILSON. Unfortunately, I was called out of the Hall for a few minutes during the earlier portion of the gentleman's very interesting and instructive remarks. As I understand, it is expected that the director of the budget will perform something like the service that the English treasury performs?

Mr. HAWLEY. The permanent secretary for the treasury of England.

Mr. PLATT. The question which I am now about to ask is not entirely germane. Does not the gentleman think we could

save something if we abolished the Independent Treasury entirely and had the money of the Government deposited in the Federal reserve bank?

Mr. HAWLEY. Please do not lead me into the discussion of an entirely extraneous issue.

Mr. ANDREWS of Nebraska. The rule forbids it. [Laughter.]

Mr. FESS. Will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. FESS. Is it contemplated to bring all our appropriation measures in as one bill, to provide for the military, the Naval Establishment, the Post Office, the Department of Agriculture, and all these other services in one bill?

Mr. HAWLEY. I have purposely avoided discussing the proposed amendment to the rules because it confuses the discussion I am endeavoring to present. If the Congress enacts this bill into law, and changes the rules providing for one Committee on Appropriations, then when that committee submits its report it will be a balanced statement of revenues on the one side, with expenditures for the whole system of government on the other, so that we will have before us at one view all that it is proposed to do in the matter of revenue and expenditure during that session of Congress—of course, outside of supplemental estimates.

Mr. FESS. And when we adopt the report of that one appropriating committee the appropriations will have been made, except the deficiencies that may come up later.

Mr. HAWLEY. Yes; and we intend to discourage deficiencies, so that a department or bureau that wants a deficiency appropriation will think it is fishing in a shallow pool. [Applause.]

Mr. FAIRFIELD. Will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. FAIRFIELD. If the Government should undertake a new function or create a new department, that department would be authorized by legislation, without any estimate of its cost necessarily, so that we would not have the opportunity to discuss at one time the feasibility of the new department and the cost accompanying it under this new rule.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GOOD. I yield to the gentleman from Oregon five minutes more.

Mr. HAWLEY. In answer to the question of the gentleman from Indiana, I think this will be the procedure: The legislative committees will continue to report legislation. I presume the gentleman is speaking in anticipation of the possible adoption of the rule consolidating the appropriating committees. The legislative committees will continue to report legislation. They would not be without authority to make an authorization of appropriations if in their judgment the authorization of appropriations was necessary to explain the legislation. Very frequently when a proposition of legislation is propounded some Member on the floor of the House will inquire, "How much will it cost?" And an estimate of the cost is sometimes a very material factor for the information of the House in the consideration of legislation. Any legislative committee would be authorized to report legislation with an estimate of cost, but not to appropriate a single dollar. The appropriation would go entirely to the new committee if that rule were adopted.

Mr. FAIRFIELD. Will the gentleman permit another question?

Mr. HAWLEY. Yes.

Mr. FAIRFIELD. Then, in case the Congress should create a new function of the Government and authorize an appropriation, it would be within the power of the Budget Committee to ignore it absolutely, and it never could get before the House?

Mr. HAWLEY. In answer to that question I will say that when the Congress has by solemn act of legislation adopted a policy which requires the expenditure of money, I doubt if any appropriations committee will have the temerity to refuse the appropriation, unless the Public Treasury could not stand the burden and some things must stand aside, and that was among the things that could best stand aside. We will endeavor, if I understand it, in the future, under the new conditions of burdensome taxation and the greatly increased cost of government over normal revenue, to live within our means, as Mr. Micawber said.

Mr. FAIRFIELD. I am heartily in favor of the bill, but I can see where this Budget Committee, which the gentleman has not been discussing, would be the determining factor as to whether the Government should engage in a new function or not. That may be very wise. I am not saying it is unwise, but we should have that clearly in view.

Mr. HAWLEY. The question of the rule will come up at another time.

Mr. WELLING. May I ask the gentleman a question?

Mr. HAWLEY. Yes.

Mr. WELLING. Suppose the enlarged Committee on Appropriations were to bring in this balance statement of expenditures and receipts of the Government which the gentleman suggests, and then a proposition should come up in Congress for the establishment of a national park in some part of the country. I mention that merely as an illustration. Would that sort of a bill, introduced by a Member of the House, be met with the solid front of objection of this appropriating committee that all of the money that the Government would have at its disposal for that particular year had been disbursed, and that we could not introduce any new legislation of that sort?

Mr. HAWLEY. No; I do not see where the Appropriation Committee under the proposed rule would have any authority to say what bills should be introduced or what bills any committee could consider and report.

Mr. WELLING. There would be no sense of introducing a bill unless it could be considered or acted upon.

The CHAIRMAN. The time of the gentleman from Oregon has again expired.

Mr. GOOD. I yield to the gentleman five minutes more.

Mr. CANNON. Will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. CANNON. Under the rules of the House a proposition for a national park or anything else, if a point of order is made, could not go on an appropriation bill.

Mr. HAWLEY. Yes; but I understood the gentleman to indicate the introduction of a bill in the ordinary method and have it considered by the proper committee. It could be done then as now. After the park was created and maintenance authorized, it would be for the Appropriations Committee to make the appropriation.

Mr. WELLING. The thought I wanted to get at is this: The Appropriations Committee, for instance, disburse all the revenues of the Government for any particular year in their budget plan. How can any other legislation that may be introduced upon the floor of the House for the public interest receive a proper hearing since all the money has been disbursed?

Mr. HAWLEY. That would only take place provided the act for the park was passed after the introduction of the budget. In that event it would have to go into the next year's budget.

Mr. CANNON. If the gentleman will allow me, if legislation was enacted after the budget had been made up, that legislation could pass if the majority was with it.

Mr. HAWLEY. And the point of order was not made.

Mr. CANNON. The point of order would not be good if the legislation was on the statute books.

Mr. HAWLEY. The gentleman is right.

The House of Commons has created a committee known as the Public Accounts Committee. The members of this committee are selected because of their experience in financial matters and willingness to devote time and attention to an examination of the expenditures of the public money. The Comptroller and Auditor General makes notes of the action of the spending departments with which he disagrees. At the end of the year he files a full report with the Public Accounts Committee. The Public Accounts Committee, with the assistance of the Comptroller and Auditor General, examines the officials in the spending departments responsible for the matters in disagreements and reports to the House of Commons for its action. This is a post-mortem examination and the Select Committee on National Expenditure for 1918 recommends that the standing orders be so amended as to require the Comptroller and Auditor General to report his findings currently that action may be taken by the Public Accounts Committee immediately upon matters reported by him. This suggestion seems to me to command great merit. The chairman of the Public Accounts Committee is practically always a member of the opposition. We have not reported in this bill a provision for the creation of such a committee nor has it been included in the proposed amendment to the rules. The matter has been left for future action. There is a question whether there should be a joint Committee on Public Accounts or whether the House and Senate should each have such a committee. The Public Accounts Committee has been the means of affording the House of Commons a degree of control and a certainty of information that they could not have secured without it. I believe that the principle involved is one of the greatest important and that in due time we shall avail ourselves of this method of increasing the power of Congress over public expenditures in the interest of efficiency and economy.

Now, in conclusion I desire to recur to a statement I made in the beginning. I believe that under our present conditions, with our tremendous indebtedness, with a diminishing revenue, in that the earnings of the people in the future from which we have derived income taxes will be reduced, because they will not

receive such large incomes as they have in the past, with our sources of income restricted, it is necessary to exercise the utmost economy, and that there will come in each succeeding campaign, as Mr. Gladstone established his prestige with England, among the aspirants for the office of President men competent in financial affairs who will administer the affairs of the Government with less cost to the country than heretofore and with better service. These two needs, in my judgment, will be among the main issues in the future campaigns.

We have too cumbersome a governmental machine. It takes too much fuel to get up power to make it go. We have to put too much fuel in the shape of dollars into the furnace to make the machine operate. It takes too many people to shovel the money into it. We need a reduction in the cost of service and a reduction in the number of persons employed. Because in the last analysis we are not operating this Government for the benefit of any class of citizens, not even for the salary-drawing class, but we are operating it for the good of the people, 100,000,000 strong, that we may render them the best service possible for the least amount of money. [Applause.]

I believe the bill now pending in this committee over which the gentleman from Iowa has presided with great fairness and discretion, giving every opportunity for the witnesses and the members of the committee to be heard and ask questions—I believe this bill is essentially a step in the right direction to establish a more firmly democratic government in this country, controlled by the people and administered in their behalf and interest. [Applause.]

Mr. WALSH. Mr. Chairman, I think we ought to have a quorum of the committee here.

Mr. GOOD. I hope the gentleman from Massachusetts will not make it necessary to have a call of the House.

Mr. WALSH. I have listened to these very interesting speeches on this subject, and most of them by members of the committee, and it seems to me that unless we have a quorum we are not going to hear those who are opposed to the bill.

Mr. GOOD. We have on the program some who are opposed to the measure, and they will be ushered in very shortly.

Mr. WALSH. Very well, I will withhold it for a while and see what we are going to get.

Mr. BYRNS of Tennessee. Mr. Chairman, I yield 15 minutes to the gentleman from Maryland [Mr. LINTHICUM].

Mr. LINTHICUM. Mr. Chairman, I am in favor of the passage of this bill creating a national budget system and an independent audit of Government accounts. I feel that the system under which we are now operating is both antiquated and extravagant. The gentleman who has just preceded me has well said it is too hard to get up steam, it takes too much coal in the shape of money, too much fuel, and too many people to shovel it in.

This bill provides for a director of the budget and for an assistant to be appointed by the President, and these directors, with the other officials appointed in the bill, constitute the bureau of the budget in the office of the President, which is to prepare data and assist the President in the preparation of a budget, who will transmit the same to Congress after having made such alterations, deductions, and so forth, as he may deem proper.

It repeals the law which provides that the various departments should transmit their estimates to the Secretary of the Treasury, and he without any supervision or authority whatever over these has been transmitting them to Congress.

The people through this budget will know exactly what the entire cost of the Government is to be for the next fiscal year, just as soon as it is transmitted by the President, and will have ample time to study and approve or disapprove the various items.

They can then submit to their various representatives, if they desire, their objection to any portion of the budget, so that their representatives will know the desires of their constituents; in other words, it will let the light in on the budget as an entirety before it is too late to take action and will give the public abundant time for mature consideration.

I believe if we can concentrate public attention on the national budget when it is so framed, not as the estimate of one department but the estimates of all the departments, if we can throw the calcium light of public attention on the budget when sent down by the President, it will not only reduce the expenses of this Government but it will reduce the responsibility of Congress, and it will largely reduce the criticisms of Congress which it has not merited.

We all know that the committees of Congress have always taken the estimates submitted by the different departments, pared them down in committee, and when they have been brought into the House the membership, by constant attention, criticism, and discussion of each and every item, have reduced them as much as possible consistent with the departmental demands.

The public generally do not go back of the congressional appropriations and ascertain the demands made upon Congress for the multitude of governmental expenditures, and so Congress receives all the criticism for expenses of the Government.

The people do not realize that Congress is but putting its stamp of approval upon the departmental demands after they have used the acid test of elimination applied to each and every item of the estimate separately.

The public should more closely scrutinize the departmental items, see to the elimination of all waste, whether it be by excess expenditures for material or for an overabundant list of employees; the latter seems at this time to be the principal waste and extravagance of our various departments. I do not criticize the departments too strongly, nor do I blame employees. I realize that during the war vast numbers of employees were taken on, and that it is difficult to decrease and unusually hard upon the employee who is dropped from the Government pay roll. The American people will, however, sooner or later demand reduction. It will become the great issue before the American people sooner or later—and the "later" is not far distant. Excess costs and excess employees must go, not perhaps at the sole demand of Congress, but the demand of a heavily taxed people, who will rise up and demand retrenchment in every department and every branch of Government.

The budget, as I have said, thus emanating from the hands of the President, will enable the people to judge more accurately, and with facts and figures before them express their wishes and desires more clearly.

The people do not realize that the departments demand the money; they do not realize that Congress can not take the responsibility at all times of denying them the money; so the criticism goes on of Congress because of these vast appropriations.

When we consider the changes which have taken place in the revenues and expenditures of the Government we must naturally understand that a system which perhaps cared for the country moderately well in the early days could not take care of present conditions. It could not be expanded correctly for such vast bookkeeping and accounting.

There was a time when the larger portion of our revenues was derived from the tariff and from the internal-revenue tax on liquors and tobacco. During 52 years prior to 1917 there had been only something over \$600,000,000 collected from direct taxes, and that from but few people. In the year 1909, 52,498 corporations in the United States made tax returns showing taxable income, while in 1917, 232,000 made returns. During the calendar year of 1913, 357,598 persons made individual income-tax returns, and for the year 1917 this was increased to 3,472,890.

Can you imagine any private corporation with its book accounts so vastly increased adhering to an old system which had long since become obsolete?

In 1914 we expended something over \$1,025,000,000, while for 1919 it is estimated that it will take to settle our obligations for the war and run the Government something around eleven billions. This, of course, including obligations created during the war period for which we must now pay.

This important legislation we have long delayed. We sought to have had a budget system certainly before the war began. When we realize what taxes have been collected, when we realize the expenditures that have been made, we can readily see how inadequate our system is under modern conditions, with the vast revenues and expenditures now necessary. So long as the people paid their taxes indirectly through a tariff and an internal revenue on certain articles of luxury they did not much concern themselves, but now, when taxation is heavy and the taxgatherer delves into a man's business affairs, when taxation burdens his livelihood, when he is asked all manner of questions as to his business, his profits, and his expenditures, when it affects the very livelihood of his family and education of his children, we can readily understand why the people become more interested in national legislation, in appropriations, and in revenues. The people of this country do not object to the payment of taxes, but they want a dollar in service or in material for every dollar of taxes they pay, and I believe by this system we will be able to materially help them in that respect.

As I say, it will throw the light of public attention upon the budget when it is sent to Congress. The people of the country will realize that the President, an elective officer of the Nation, and directly accountable to them, has submitted the budget. They have the right to look to him for protection and care. They will know then where to place the responsibility; and if Congress chooses to increase the budget, it will take that responsibility. If it chooses to decrease it without injury to the Government, Congress will get the credit for it. I believe the people will largely appreciate these things. What

we want to do at this time it to save every dollar in expenditure that we can possibly save and thereby lessen the burden of taxes under which the people are groaning at this time. If we pass this bill we will certainly go a long way toward satisfying the demands of the people. In my State the people are unanimous for some budget system. They are crying for some system which will reduce taxation and expenditures. They are crying against the vast number of officeholders who perform very little service for the Government. They are groaning under an increase of salaries, and they demand attention from the House of Representatives.

The people of my State several years ago found to their sorrow that appropriations were vastly increasing, and that revenues without a budget system could not be made to equal the appropriations. The cry went up from the taxpayers of the State for a budget system, which the legislature put into effect, and it is now doing admirable work and keeping the appropriations of the State within the bounds of the revenues.

This budget system of the National Government will not alone serve for the reduction of appropriations and lessening of taxation, but it will serve as a strong adjunct to the Government in that it will provide information for the use of Congress and the various departments, and will always have at hand a vast fund of information for not alone the guidance of the President himself but for Congress and the departments as well. There will be at hand information as to the condition of the Treasury and the opinion of the President as to the needs of the Government for the ensuing fiscal year.

There will be an accounting department of the bureau independent of the executive departments and under the control and direction of the comptroller general of the United States created under this act, and who, together with the assistant comptroller general, is appointed during good behavior until 70 years of age; so that these officers are entirely removed from any political influence or effect of changing administrations. The powers and duties now conferred upon the Comptroller or the Auditor of the Treasury and the auditors of the other departments are vested in the accounting department of the budget bureau.

The comptroller general is required to investigate at the seat of Government and elsewhere the receipts and disbursements of public funds and report the same in writing to Congress at the beginning of each regular session, and shall make such other reports as shall be ordered by Congress or any committee thereof.

It will be seen from these casual observations that the bill is complete in every detail for the provision of a national budget and for the accounting department thereof; that it will lessen largely the demands upon the various departments for information, in that the bureau of the budget will always have it ready at hand. I feel that upon the passage of the bill our Government will be found more efficient economically and otherwise, and that we will see a vast improvement in the finances of the country and in the lessening of taxation. [Applause.]

I sincerely hope this bill will be passed.

Mr. GOOD. Mr. Chairman, I yield 45 minutes to the gentleman from Iowa [Mr. HAUGEN].

Mr. HAUGEN. Mr. Chairman, in years past it has been the practice of certain people to buy goods after fashions of other countries. Society women bought hats and dresses made in Paris. Men bought clothes made in England. American-made goods were not good enough for them. Like those people, it is now suggested that we pattern our laws after the laws of foreign countries. Because England, Germany, and other countries have a budget, and few, if any, committees to pass upon appropriations, thus centralizing the power over appropriations, it is suggested that we also have a budget. Personally autocracy never appealed to me. I prefer a democratic form of government and American-made goods.

Now, what is there to this European plan suggested? The two reports would indicate that the budget system is in the interest of economy, to safeguard the Public Treasury, that one committee can accomplish that end better than a number of committees. The definition of a national budget in the report is: "The instrument through which the several financial operations of the Government are correlated, compared one with the other, and brought under examination at one and the same time. * * * It is a document through which the Chief Executive is the authority responsible for the actual conduct of governmental affairs."

As far as the bill goes that, in part, is true; but the report states: "Broadly speaking, a budget system has three distinct phases, namely: (1) The formation of the budget; (2) action on the budget by Congress; (3) supervision and control of the

execution of the budget." The contention is that this bill will take care of (1) and (3), but as the report states, (2) can be better accomplished by a change in the rules. To carry this out the chairman of the committee reported H. Res. 324, which provides for a "Committee on Appropriation, consisting of 35 members, which is to be given exclusive authority to report all appropriations and take from the Committees on Agriculture, Foreign Affairs, Indian Affairs, Military Affairs, Naval Affairs, Post Office and Post Roads, and Rivers and Harbors the authority now vested in those committees to report appropriations."

If the three propositions are to be included in the budget system, judging from results obtained from national budget policies in other countries, I am compelled to take issue with the committee's definition of a national budget. According to results obtained in other countries it has proven disastrous, hence it can be more clearly defined as a system to make it easier for the greedy and unscrupulous to get their hands into the Public Treasury; to satisfy egotism and ambition; to promote waste, bankruptcy, wreck, ruin, and disaster; to establish autocracy.

One would infer from the statement made that the President is not now responsible for the acts of the members of his Cabinet, but that he would be responsible for the acts of the director of the bureau of budgets. That seems too absurd even to take notice of, as, for instance, the provision in this bill requiring the several executive departments to make and furnish annual estimates and requiring that the estimates be submitted to Congress by the President instead of the Secretary of the Treasury, as the President is responsible for the acts of every member of his Cabinet, of course, adds nothing to his responsibility or to the responsibility of the heads of the executive departments. Cabinet officers are all appointed by the President, with the advice and consent of the Senate. The director of the bureau of budgets would be appointed by the President under the provisions of this bill. Hence, if the President can be held responsible for the acts of the director, he certainly can be held responsible for the acts of the members of his Cabinet.

Mr. GARNER. Mr. Chairman, will the gentleman yield?

Mr. HAUGEN. Certainly.

Mr. GARNER. Has the gentleman read the bill which is before the House?

Mr. HAUGEN. Yes; certainly.

Mr. GARNER. The bill before the House does not require the confirmation of the director of the budget by the Senate.

Mr. HAUGEN. My recollection is that it does.

Mr. GARNER. Oh, no.

Mr. HAUGEN. Whether it does or not, can the President be held responsible for the acts of a clerk in a department drawing \$10,000 a year over what he is held for the conduct of a member of his official family, a Cabinet officer? That is the question.

The bill also provides for the transfer of the accounting from the six auditors to the accounting department and for the transfer of the present incumbents—merely a change of title, the same as in the change in submitting estimates, or, in other words, a "camouflage."

Another contention is that the estimates of expenditures, as at present submitted, represents only the desires of the individual departments and bureaus—that these requests have been subjected to no superior revision with the view of bringing them into harmony with each other—that the estimates are the products of bureau chiefs; or, in other words, that the President and those responsible have been derelict in their duties. If so, what an insult to the heads of the departments and to the President! If true, what assurance have we that the estimates will be given more consideration by the heads of the departments and the President if the heads of the departments are required to submit the estimates to the President or the bureau of the budgets instead of through the Secretary of the Treasury, as they are now doing? If they are guilty, as alleged, is not the remedy at the polls or by impeachment, and not in the proposed change, more properly designated a "camouflage."

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. HAUGEN. Certainly.

Mr. GREEN of Iowa. As I understand the view of the gentleman, he considers that under this bill the President will decline to assume responsibility, just as he does now?

Mr. HAUGEN. Others may so contend, but I have never assumed that any President of this Government has neglected his duty. I can not believe that any President is guilty of such a charge.

Having some knowledge of how business is conducted in the departments, more particularly in the Department of Agriculture, I can not believe that any President or Cabinet officer would be guilty of any such charge. I can not believe that any-

body who is sufficiently trained in business and of a capacity to run a peanut stand, or even a peanut politician, would lay himself open to any such charge.

The gentleman, the author of the bill and report [Mr. Good], in his opening remarks pointed out that under our present system, since 1866, in 41 out of 52 years, the revenue exceeded the expenditures. That statement clearly contradicts the contention made in the report.

Mr. GARNER. Does the gentleman believe now that the President of the United States undertakes to supervise or investigate the various requisitions upon Congress submitted through the Secretary of the Treasury?

Mr. HAUGEN. I do not only think so, but I know that he does. The gentleman knows, and everyone who has given this matter consideration knows, that the estimates are now submitted to the President and Congress through the Secretary of the Treasury. It matters not whether they are submitted direct or through the Secretary of the Treasury to the President. The estimates are generally taken up in the Cabinet meetings. The Secretaries of the departments present their plans and estimates. They are discussed and finally amounts are determined upon. If the estimates exceed the amount determined upon by the President and his Cabinet, the respective Secretaries must make the necessary reduction required to bring them within the aggregate amount fixed.

Mr. GARNER. Do I understand the gentleman to contend that the various items contained in the Book of Estimates sent to Congress by the Secretary of the Treasury are taken up in the Cabinet meeting and each item is scrutinized and considered by the Cabinet?

Mr. HAUGEN. The Cabinet first discusses the estimates and determines what the budget, or, rather, what the amount of expenditures, shall be. Then the respective Secretaries take up the matter with their bureau chiefs, who make estimates for the bureaus to the Secretaries. The various estimates are gone over, scrutinized, and revised by the Secretaries, and generally sent back to the bureau chiefs with the direction that they be brought within the limit fixed by the Secretary. When revised accordingly the Secretaries submit them to the President. They are again given consideration by the President and members of his Cabinet. When the estimates are finally determined upon the Secretaries must bring their estimates within the amounts fixed. They are then submitted, through the Secretary of the Treasury, to Congress. It matters not whether you call it a budget or an estimate, it amounts to the same thing. Whether this is done in all instances I do not know, but anything short of it is gross dereliction of duty. Any President or Cabinet, whoever they may be, doing less than this should not be trusted with running even a corner grocery store, much less the largest business institution in the world.

Mr. GARNER. How does the gentleman account for the fact that ex-President Taft and President Woodrow Wilson and Secretary Glass and other members of the Cabinet take issue with that statement and ask for this specific legislation? How does the gentleman account for that fact that they want this kind of legislation if they are now doing what he says this bill will require to be done?

Mr. HAUGEN. As to the duty and responsibility resting upon the President and his Cabinet, the Constitution provides that the executive power shall be vested in the President of the United States. It also provides that the President shall from time to time give to the Congress information as to the state of the Union and recommend for its consideration such measures as he may judge necessary and expedient. So, then, there is no question as to his duty, authority, or responsibility. Furthermore, the bill does not propose a change of power granted under the Constitution. The report so states; besides it is not in the power of Congress to change the Constitution. So, as before stated, if he fails to do his duty, the remedy is with the people on election day or by impeachment, and not in the change of titles.

As to the question, "Have the executive department and Congress done their duty?" If they have not, who is to blame? As before stated by my colleague, Mr. Good, the revenue exceeded the expenditures in 41 out of the last 52 years, which is evidence that both have done fairly well, certainly much better than other nations under a system such as is here proposed. Some departments and some Congresses may have been slack and derelict in their duties, but that is no reason for condemning the system as a whole. As to the charge made against the Executive and Congress, my understanding is that generally heads of departments and committees pursue their duties with industry, fidelity, intelligence, and rectitude to purpose. I know that the committee of which I have the honor to be a member works early and late, not on an eight-hour schedule

but much of the time 16 hours a day. The Committee on Agriculture generally meets at 10 o'clock in the morning and sits until 6 o'clock.

Weeks and months are given to the consideration and preparation of appropriation bills. Reports of the hearings held on the appropriations cover several hundred pages. One report, I believe, covered more than 1,700 pages. Bills reported by that committee are not, as alleged in the report on this bill, the estimates made by the bureau chiefs. In the Department of Agriculture estimates are first submitted by the chiefs of the bureaus to the Secretary. They are scrutinized and revised and sent back to the bureaus with instructions to be revised and made to conform with the budget determined for the department by the Secretary. When revised and incorporated in the budget determined by the Secretary, as before stated, it is sent to the President. The President and the Cabinet give it, as all other budgets, consideration. Finally a national budget or national estimate—whatever you may prefer to call it—is determined upon and submitted, through the Secretary of the Treasury, to Congress, where it is divided and referred to the respective committees having jurisdiction over appropriations. There they are again carefully scrutinized and considered. Take, for instance, the appropriation for the Department of Agriculture for the current year. Owing to the delay in forwarding the estimates the committee did not begin its hearings until January 3, concluding them on January 22. It was then given consideration by the subcommittee and again considered by the whole committee. The bill passed the House on February 1, again on June 4, and a third time on July 18, and was finally signed on July 24.

In making up the bill for the current year, here is what was done in the office of the Secretary, which comes first in the bill: The office estimate was \$513,000. The Secretary in submitting it reduced it to \$491,000. The committee cut the Secretary's estimate \$21,570. In the Weather Bureau, which comes next, its estimate was \$1,912,000. The Secretary made it \$1,906,000 and the committee cut that amount \$51,540. The Bureau of Plant Industry estimate was \$3,500,000. The Secretary made it \$3,294,000 and the committee reduced it \$80,640. The Bureau of Chemistry estimated \$1,838,000. The Secretary made it \$1,611,000 and the committee reduced his estimate \$248,600. The Bureau of Markets estimate to the Secretary was \$3,723,000. The Secretary made it \$3,131,000 and the committee reduced his estimate \$452,750. Thus all along the line. The total estimates for routine and ordinary work made by the bureau chiefs to the Secretary was \$34,850,366. The Secretary made it \$33,149,286 and the Committee on Agriculture reduced it to \$29,847,162. The Secretary cut the estimates of the chiefs of the bureaus \$1,701,080 and the committee cut the Secretary's estimates \$3,302,124. The grand total estimates for the Department of Agriculture by the bureau chiefs was \$36,694,766; the Secretary, \$34,993,686; reported by the committee, \$31,691,562. Does that represent the views of the bureau chiefs? No, gentlemen. Let us abide by the facts. In bringing this bill before the House, why not state the facts? The contention is that the President, Secretaries of the departments, and the committees have been derelict in their duties. Gentlemen, I am not going to criticize the members of any committee. I have no quarrel with the Committee on Appropriations. The members of that committee enjoy the respect and admiration of this House. It is made up with men of intelligence, industry, as high a class of men as you can find, performing their duty with fidelity and rectitude of purpose; but they are overworked now. Much of the time they work night and day. Compare their reports with the reports of committees having more time to give to the consideration of bills. If there is anything that the House is opposed to, if there is anything we have contended against it is lump-sum appropriations. Our committee started the fight some years ago. It has grown inch by inch until it has become a popular proposition. What are the results? The Agricultural appropriation bill carried \$33,900,211 and 6,033 positions were on the statutory roll. The Committee on Appropriations brought in the sundry civil. It carried \$607,160,207.95, and only 1,600 positions were on the statutory roll.

I find that the following seven bills were reported by the Committee on Appropriations carried the amounts as follows:

Fortifications	\$11,214,291.00
Pensions	215,030,000.00
Sundry civil	607,160,207.95
Second deficiency (1919)	292,714,084.71
Third deficiency (1919)	24,325,929.40
Railroad deficiency	750,000,000.00
War-risk insurance and pension deficiency	45,044,500.00
	1,945,489,013.06

The total number of clerks carried on the statutory rolls in these seven bills were 2,281.

The appropriation bill for the Department of Agriculture was reported by the Committee on Agriculture. It carried \$33,900,211 and 6,033 clerks on the statutory rolls.

The appropriation reported by the Committee on Agriculture in the Agricultural appropriation bill is only 1.7 per cent of the appropriation reported by the Committee on Appropriations in the seven bills enumerated above, while the number of clerks carried on the statutory rolls in the Agricultural appropriation bill is nearly three times the number of clerks carried on the statutory rolls in the seven bills reported by the Committee on Appropriations.

Mr. SMITH of Michigan. Will the gentleman yield?

Mr. HAUGEN. Certainly.

Mr. SMITH of Michigan. The gentleman in reading the number of clerks on the statutory roll said an appropriation of \$1,900,000,000 and 2,200 clerks. I think the gentleman made a mistake and meant to say 22,000 clerks.

Mr. HAUGEN. I said \$1,945,489,013.06 and 2,281 clerks.

Mr. SMITH of Michigan. And put the number of clerks at 2,200 on the statutory roll. Did not the gentleman make a mistake, and should it not be 22,000?

Mr. HAUGEN. Oh, no.

Mr. SMITH of Michigan. Well—

Mr. HAUGEN. I said 2,281 clerks were carried on the statutory roll in the seven bills reported by the overworked Committee on Appropriations, as compared with 6,033 on the statutory roll in the Agricultural appropriation bill.

Mr. SMITH of Michigan. That is what the gentleman stated.

Mr. HAUGEN. That is correct.

House resolution 324 not only gives the one committee of 35 members exclusive jurisdiction over all appropriations, but, in order to carry out the scheme to give absolute control, bars other committees, with few exceptions, from the privilege of reporting bills carrying appropriations.

The amendment proposed to Rule XII provides that, with few exceptions, no bill or joint resolution carrying an appropriation shall be reported by any committee not having jurisdiction, nor shall an amendment proposing an appropriation be in order, and so forth. The Committee on Rivers and Harbors is permitted to report at any time bills authorizing the improvement of rivers and harbors; the Committee on Invalid Pensions general pension bills. If this amendment is adopted bills authorizing the distribution of pork are privileged under the rule, but legislation by the Committee on Invalid Pensions, aside from general pension bills, to care for or to help the soldiers is barred. The door is also closed to legislation from the Committee on Interstate and Foreign Commerce, now having jurisdiction over war-risk insurance and compensation matters for soldiers. It is barred to legislation from the Committee on Agriculture.

The door is closed to legislation from the Committees on Labor and Education and swung wide open to the pork barrel, so frequently characterized as graft.

It is no secret that more intense and determined opposition has been centered against the bills appropriating a few million dollars for agriculture, labor, and education than against other bills carrying many times the amounts.

If the amendments to the rules are adopted it will result in the farmer, laborer, and the Bureau of Education, as well as numerous other interests, not only being placed at the mercy of the Committee on Appropriations, but they will be barred under the rule like in days gone by when Members on bended knees with tears in their eyes approached the throne pleading and begging for an opportunity to have bills brought up for consideration. Gentlemen, why open the doors to certain ones and exclude others? Are not the soldiers, the farmers, the laborers, and others entitled to some consideration? They are good enough to vote. Why close the doors to them? Why pat them on the back on election day and close the doors to the Halls of Congress to them later? Why monopolize without end?

Mr. GOOD. Mr. Chairman, will the gentleman yield for a question?

Mr. HAUGEN. Certainly.

Mr. GOOD. Will the gentleman point out in the resolution where any attempt is made to change the rules of the House with regard to the Committee on Interstate and Foreign Commerce?

Mr. HAUGEN. I was reading from the resolution, quoting from the gentleman's resolution.

Mr. GOOD. The Committee on Interstate and Foreign Commerce is not mentioned.

Mr. HAUGEN. They are not given the privilege to report.

Mr. GOOD. The Committee on Interstate and Foreign Commerce is not mentioned in the resolution.

Mr. HAUGEN. It bars all committees except those enumerated in the bill.

I will quote from the resolution, House resolution 324, page 2, line 15:

16. The following-named committees shall have leave to report at any time on the matters herein stated, namely: The Committee on Rules, on rules, joint rules, and order of business; the Committee on Elections, on the right of a Member to his seat; the Committee on Ways and Means, on bills raising revenue; the Committee on Appropriations, the general appropriation bills; the Committee on Rivers and Harbors, bills authorizing the improvement of rivers and harbors; the Committee on Public Lands, bills for the forfeiture of land grants to railroad and other corporations, bills preventing speculation in the public lands, and bills for the reservation of the public lands for the benefit of actual and bona fide settlers; the Committee on the Territories, bills for the admission of new States; the Committee on Enrolled Bills, enrolled bills; the Committee on Invalid Pensions, general pension bills; the Committee on Printing, on all matters referred to them of printing for the use of the House or two Houses; and the Committee on Accounts, on all matters of expenditure of the contingent fund of the House.

Page 3, line 17:

Rule XXI, add an additional clause as follows:

"5. No bill or joint resolution carrying appropriations shall be reported by any committee not having jurisdiction to report appropriations, nor shall an amendment proposing an appropriation be in order during the consideration of a bill or joint resolution reported by a committee not having that jurisdiction. A question of order on an appropriation in any such bill, joint resolution, or amendment thereto may be raised at any time."

I will also quote from the gentleman's report on the resolution proposing changes in the rules of the House, page 3:

The resolution makes three important changes in the rules of the House, viz:

(1) It centers in one Committee on Appropriations, composed of 35 members, the authority to report all appropriations, and takes from the Committee on Agriculture, Committee on Foreign Affairs, Committee on Indian Affairs, Committee on Military Affairs, Committee on Naval Affairs, Committee on the Post Office and Post Roads, and the Rivers and Harbors Committee the authority now vested in those committees to report appropriations.

(3) It permits the raising of a point of order at any time on any appropriation item carried in any bill or joint resolution reported by any committee not having jurisdiction to report appropriations.

It is at once apparent that the principal change proposed in the rules of the House is the one centering all appropriations in a single committee. This change was strongly urged by practically every person who appeared before the committee as being a very important and necessary step, if in the future appropriations are to be made with intelligence and economy.

It may be that one committee of 35 members can do more and better work than eight committees with a total membership of more than 150, but results obtained fail to support that contention. I say that not in an offensive way. No; I know the make-up of that great committee. As before stated, each member enjoys the confidence and respect of the House; all are men of intelligence and integrity, doing their very best; but the fact is that it is a physical impossibility for that committee to give the required time and consideration to all items contained in bills coming under their jurisdiction. Hence, the work must necessarily be divided and disposed of by subcommittees, and little, if any, consideration can be given to each item by the whole committee. If the committee is already overworked, it seems absurd to assume that in addition to what it is now doing it can take on the work now being performed by seven committees.

Now, a word as to economy. Has the one committee or no committee, under the budget policy resulted in economy in other countries? England has tried it; other European countries have tried it. What are the results? England is now on the verge of bankruptcy; its people, staggering under its death-dealing blows. England is turning the heavens and earth to get away from it, to adopt the American system, one that has worked so well and which it is now proposed to discard. England is making headway. After years of fierce struggle, she succeeded on February 19, 1918, in appointing a select committee to examine, recommend, and report as to a proper policy to take the place of its vicious, autocratic budget policy. I have a copy of the select committee's report. As a starter, that committee reports not in favor of one committee, as suggested in this bill, but of two to begin with, and that this number should be added to if found desirable.

Sidney Webb, professor of public administration in the University of London, School of Economics and Political Science, in his reply to a question asked by the committees, favors not one committee—an autocratic power as suggested here—but states that for the purpose there should be appointed a standing committee for each of the 13 great divisions of government. So, according to the select committee and Dr. Webb, we should have not one committee, as suggested here, or eight appropriation committees, as we now have, but several committees, or one for each of the 10 departments. To that might be added others, as, for instance, one for the executive department, and so on. Un-

doubtedly a committee on appropriations for each department, as we now have on expenditures in each department, would result in a saving and great benefit. It goes without saying that committees having jurisdiction pertaining to the departments, committees drafting laws and who come in more frequent contact with the departments, have more intimate knowledge of their requirements than a committee giving all its time to appropriations. As to the advisability of one or more committees and as to the results of the budget system in Europe, I refer you to the ninth report from the select committee on national expenditures, together with the appendix ordered by the House of Commons to be printed October 22, 1918. According to it, though wide difference of opinion exists in England as to whether committees should have jurisdiction over both estimates and accounts, practically all agree that the present method for securing parliamentary control of expenditures is inadequate and favor the establishment of from 1 to 13 committees on expenditures.

I have a copy of a publication entitled "The Nineteenth Century," of August, 1917, in which Mr. J. A. R. Marriott refers to the vicious budget policy. On page 346 he quotes Sir Tudor Walters: "Ministers must not imagine that they * * * are possessed of some divine and supreme power. * * * We want to restore to the House of Commons not merely the right to audit the expenses that are being incurred but to control the financial policy and expenditure of the country." And states: "Such language, reechoed from every quarter of the House, proceeding indifferently from conservative, radical, and labor members, possesses no inconsiderable significance." On page 346 he quotes Mr. T. Gibson Bowles: "A close study of British finance can not but conclude that the vast increase in our national expenditure does, on the whole, mainly arise from * * * a disregard of economies, a contempt for frugality, and a lavish, wasteful, wanton, and unnecessary expenditure all around." Does that sound like economy? On 351 he states: "Can it be hoped that we shall ever get back to sound methods of finance, or that we shall ever reestablish the effective control of the House of Commons over expenditure so long as financial responsibility is divorced from political power? There is, however, general agreement that unless we are to drift toward disaster that control must be reestablished." He further states that the act of 1866, the budget policy, is a corner stone of the existing edifice. On 353 he states: "Plainly the first step to be taken is to insure a real and not merely a formal examination of the estimates. But a real examination is not possible at the hands of the whole House, nor, indeed, at the hands of any smaller body—such as a select committee * * * the estimates should be closely scrutinized by a committee or by a series of committees—one for each class of votes—especially appointed for this purpose and charged to make a report to the House before the estimates are approved in committee of supply." On 354: "We want, therefore, not only an estimates committee but also a committee whose duty it shall be to examine the financial aspect of every bill which involves the expenditure of public money—a committee which shall have the power to examine ministers and permanent officials and shall make a detailed report to the House before it goes into committee on the bill. * * * Is it not demonstrably true that much of the waste of public money which we are deplored to-day is due to overhaste in legislation?" Is overhaste desired? If so, one committee. On 355 he states: "The ancient machinery must be adapted to modern processes of production. Unless the adaptation is made, and made quickly, nothing but disaster can ensue." And further quotes President Lowell, of Harvard, who, after referring to the "growing practice of delegating legislative power," adds: "We hear much talk about the need for the devolution of the power of Parliament on subordinate representative bodies, but the tendency is not mainly in that direction. * * * The real delegation has been in favor of the administrative departments of the central Government, and this" (as Mr. Lowell justly observes) "involves a striking departure from Anglo-Saxon traditions with a distinct approach to the practice of continental countries." On 357 he states: "Neither the existing House of Commons nor the more responsible organ of public opinion will allow matters to remain as they are. Nor is any time to be lost." On 358: "It is of supreme importance to them that their representatives in the House of Commons should, without delay, take the necessary steps for regaining that control over the spending departments of the Government which they have allowed to slip out of their fingers." The article is signed Mr. J. A. R. Marriott and is followed by a footnote, which reads as follows: "Since this article went to press the Government have settled the terms of reference to the select committee which is to be set up immediately—the terms which follow closely the line in the above pages."

Here is what the press and some of England's most eminent people have to say about the inferior autocratic budget policy. I quote from the London Times, Friday, August 8, 1919:

"ROAD TO RUIN—FINANCIAL PERIL ADMITTED—ECONOMY AND WORK THE ONLY HOPE—'DIRECT ACTION IS TREASON.'"

"The House of Commons turned its attention to-day to the great and serious questions of the reestablishment of the authority and control of Parliament and the financial position of the kingdom. Mr. Chamberlain insisted that the good will and active assistance of every class in the community were needed to save the situation. If we continued spending as we were spending now, and if we did not increase production beyond the rate at which we were producing now, the end would be national bankruptcy. He repeated that the Government as a whole were seized with the seriousness of the position and had set their minds to find a remedy. There was nothing in the situation, he added, that was beyond our control, if we tackled it as a nation with the same resolution, public spirit, and unity with which we had faced and overcome the difficulties of the war."

Gentlemen, there is your economy. There is the situation under a budget system. As before stated, under it, under the lump-sum appropriations, it is easier for the grafter to get his hands in the Public Treasury. If that is what is desired, the budget system and the reduction of the number of committees will undoubtedly do that.

Mr. KINKAID. Will the gentleman yield?

Mr. HAUGEN. Certainly.

Mr. KINKAID. Will the gentleman state whether the showing made is to the effect that the budget system is responsible for the unfavorable financial condition in England?

Mr. HAUGEN. They have been experimenting with it since 1866. They are getting away from the system. As long as Gladstone held the reins they got along fairly well; but they are rapidly approaching bankruptcy as the result of it.

Mr. KINKAID. Is not their financial condition due to the war?

Mr. HAUGEN. Not entirely.

Mr. KINKAID. And is not the budget system merely a coexistent condition?

Mr. HAUGEN. If the gentleman will read this report—and I will have part of it inserted—it will satisfy the gentleman it is not a matter of the war. On page 9 it states:

These questions relate to normal conditions and not to the state of war.

I will quote from the ninth report from the select committee on national expenditure, to which I referred a few moments ago.

Page 2 gives the order of reference. It states that on February 19, 1918, it was ordered that a select committee be appointed—

"To examine the current expenditure defrayed out of moneys provided by Parliament and to report what, if any, economies consistent with the execution of the policy decided by the Government may be effected therein.

"To make recommendations in regard to the form of public accounts, the system of control within the departments and by the treasury, and the procedure of this house in relation to supply and appropriation, so as to secure more effective control by Parliament over public expenditure."

Page 3. It reports: "The select committee on national expenditure have made progress in the matters to them referred so far as relates to the procedure of the House in relation to supply and appropriation and have agreed to the following ninth report. * * * The subcommittee decided to proceed by way of written question and answer. They framed a questionnaire, which was sent to Mr. Speaker, the chairman of ways and means and the deputy chairman, to the chancellor of the exchequer and the ex-chancellors, to the financial secretary to the treasury and the ex-financial secretaries, to certain other members of the house representative of parties, to the comptroller and auditor general, to certain government officials, and to a small number of others whose views it was thought desirable to ascertain. We present in the appendix to this report the questions and the replies, together with a synopsis. Those questions and replies related to the normal conditions of times of peace, and this report relates to them also. * * * The replies show, with few exceptions, a consensus of opinion that the present system of parliamentary control over expenditures is inadequate. In that view we concur. Indeed our terms of reference themselves, inviting proposals to render control more effective, indicate that the house is not satisfied with the existing procedure. * * * Under these conditions it is not surprising that there has not been a single instance in the last 25 years when the House of Commons by its own direct action has reduced on financial grounds any estimate submitted to it.

* * * Yet it can not be contended that there is never an occasion in any year or under any head on which proposals for expenditure could with advantage be reviewed and amended."

Page 4 states: "We consider that the House of Commons, as the representative of the taxpayer, should reassert fully and effectively its right of restricting the amounts to be allotted for each head of the national expenditure, and we recommend the adoption of the measures to that end which we now proceed to detail."

Standing committees on estimates: "The great majority of the replies to the questions which were circulated favor the principle that the estimates should be subjected to examination by a select committee. Among those who express that view are all the officers of the House who were consulted—Mr. Speaker, the chairman of ways and means, the deputy chairman, and the clerk of the house. We are unanimously of the same opinion."

"We recommend that at the beginning of each session there should be appointed, by the customary procedure, two standing committees on estimates, each consisting of 15 members. After some experience of the working of these committees it may be found desirable to add a third."

"We have considered the alternative of a single committee with a larger membership, which should divide itself into a number of subcommittees, each dealing with one department or group of departments, but we have arrived at the conclusion that for the purpose in view the balance of advantage lies against this method."

Page 5 (S. C. on E.) states: "The estimates committee of 1912, 1913, and 1914 was appointed in pursuance of a recommendation of the Select Committee on National Expenditures of 1902-3. It rendered useful service, but its usefulness was impaired by three causes."

"First, the task imposed upon it was too large for a single body to perform; it was able to consider each year only a fraction of the estimates; its examination of the votes of any particular department was rather an exceptional incident than a normal part of the financial procedure; the departments knew that once their estimates had been considered it would probably be from 7 to 10 years before they were considered again. Our proposals for two committees, and, if experience shows it to be desirable, for the addition of a third, should go far to remove this drawback, particularly if each of the committees were expected to give as much time as might be necessary to enable it to cover each session a large part of the whole field."

Do you want estimates examined once in 10 years? If so, have one committee as proposed here. That is your one committee budget system. That is your autocratic form of government proposed here.

On page 8 the committee gives its conclusions and recommendations:

"We are of the opinion that the existing procedure of the House of Commons is inadequate to secure proper parliamentary control over the national expenditure. We recommend that there should be appointed each session two standing committees on estimates, each consisting of 15 members, and that a third should be added if experience showed that this was desirable."

Page 9, Appendix. Questions relating to the procedure of the House of Commons on matters of finance and the replies received thereto. List of questions: (These questions relate to normal conditions and not to the state of war.)

"1. Do you consider that the present methods for securing parliamentary control over expenditure are adequate?"

"2. If not, do you regard the appended proposal for the establishment of a standing committee on estimates and accounts as the right line of reform?"

"3. Have you any modifications to suggest to that proposal?"

Page 10. Reply from Mr. Speaker:

"1. I do not consider the present methods tend to economy. The House of Commons has become one of the chief spending departments of the State."

"2. I believe that a committee on estimates, selected from among the real advocates of economy, would have a salutary effect."

"3. It is a mistake to combine the public accounts committee and the estimates committee. The function of the latter is to criticize the vote of money necessary for a particular service; the function of the former is to see that the money voted has been spent in the manner intended."

Page 11. Reply from the Right Hon. Sir Donald McLean, K. B. E., deputy chairman of ways and means:

"2. I think that a committee on estimates is a very good idea."

Page 14. Reply from the Right Hon. T. McKinnon Wood:

"2. Yes. It is quite impossible for so large a body as the committee of the whole house adequately to consider details of estimates, and I think that it is necessary to adopt the standing committee system if anything like effective control over the

spending departments is to be exercised by the House of Commons. Such control will in the future be of extreme importance."

Page 15. Reply from the Right Hon. Walter Runciman, M. P.:

"In reply to your inquiry I have to say that, after considering the tentative proposal of your committee that greater economy in the expenditure of public moneys should be secured by means of a standing committee on estimates, set up as a microcosm of the House of Commons, somewhat on the lines laid down by your committee. I could not give more than general approval of this suggestion, for in some details it seems to me expedient to make modifications."

"I do not hold the view that a committee set up for this purpose would lead to pressure for increased rather than for decreased expenditure, but if that tendency is to be feared safeguards against it can be provided from the first."

Page 18. Reply from the Right Hon. Arthur Henderson, M. P.:

"With reference to question 1, the reply is definitely in the negative, and in reply to Nos. 2, 3, and 4, while not committing the party to every detail in the proposal for a standing committee, broadly it is on right lines. It may be stated, however, that in our opinion 26 members would not be sufficient to do the work contemplated."

Reply from the Right Hon. J. W. Gulland, M. P., page 19:

"1. No; I think the present methods very inadequate."

"2. The committee as proposed would be one useful line of reform."

"3 and 4. It entirely depends on how this committee is worked. If it is energetic it could be of enormous use, but it all depends upon the work and spirit that is put into it."

Page 20. Reply from James Parker, Esq., M. P.:

"If parliamentary control is to be really effective the estimates of every department should, in my opinion, be considered by a committee before they are sanctioned by the house."

Page 22. Note by Sir H. J. Gibson, K. C. B. (comptroller and auditor general):

"While supporting the establishment of a standing committee on estimates as well as on accounts, I am strongly of the opinion that they should be separate and not combined, though some members should serve on both."

Page 24. Reply from T. Gibson Bowles, Esq.:

"Both the expenditure to be provided for and the actual expenditure itself are uncontrolled. In the true sense there is no public finance left. Nor will there be nor can there be any restoration thereof, either during the war or for long after. The waste, the squandering, the fraud, and the terrible irregularities of all sorts now proceeding and inevitable in war will then come under review, as they did after the Boer War in the public accounts committee, whereof I was then a member."

Page 26. Reply from Sidney Webb, Esq., professor of public administration in the University of London (School of Economics and Political Science):

"No one committee could set itself to control policy in general. What seems required is a series of standing committees, to be appointed by the committee of selection at the beginning of each Parliament mainly from among members interesting themselves especially in the particular subject and serving for the whole term of the Parliament—this not necessarily excluding a formal reappointment and filling of vacancies each session—each committee charged with the continuous oversight of what is actually being done in one of the 13 fundamental branches of our Government at its present stage, namely, foreign affairs, defense, finance, justice, the promotion of material production, communication and transport, the regulation of employment, education, health, the administration of India and that of the dominions and dependencies, supplies and research."

Page 27. Reply from Sidney Webb, suggesting 13 committees.

"To sum up, I propose:

"1. That the House of Commons should insist on a marked distinction being made between the oversight of policy and the art or technique of administration."

"2. That the House should organize its own work so as to be able to exercise such a continuous oversight of all the ministries or departments as will enable it to secure the execution of the policy that it has prescribed, and no other."

"3. That for this purpose there should be appointed a standing committee for each of the 13 great divisions of government, the various ministries or departments concerned with each such division being required to supply, continuously and automatically, the information necessary to enable the committee to satisfy itself that the prescribed policy is being carried out efficiently and therefore with genuine economy."

Page 28, Part III. Synopsis of replies received to the questions submitted by the subcommittee on procedure.

To question 1:

"The House 'has become one of the chief spending departments of the State.' (Mr. Speaker.)

"It is impossible for the House as a whole to have any effective knowledge of the countless details of expenditure. (Sir Charles Hobhouse, Mr. McKinnon Wood.)"

"Debate in Committee of the Whole House is an unsuitable method. It reflects current opinion, which may be economical or the reverse. (Sir C. Ilbert.)"

"It is diffuse and inconclusive, and in any case is concerned with policy and not with the amount of expenditure. (Sir Sydney Olivier, Mr. Hayes-Fisher, Sir William Gibbons.)"

To question 2:

"Unqualified (or practically unqualified) approval is expressed by the chairman of ways and means, Sir Courtenay Ilbert, Mr. McKinnon Wood, Mr. Hayes-Fisher, Mr. James Parker, Mr. Arthur Henderson, Mr. Boland, Sir Sydney Olivier, Sir William Gibbons, and Mr. Harold Cox. Approval in general terms, but subject to important reservations, by Mr. Speaker, Sir Donald McLean, Mr. Runciman, Sir Charles Hobhouse, Mr. Acland, Mr. Gulland, and Sir Charles Harris. Mr. Asquith would have no objection to seeing the experiment tried."

Gentlemen, England has tried this since 1866. She has given it a fair trial. As a result she is on the verge of helpless bankruptcy. The report gives the conclusions of this committee, a committee that has given this matter years of thought and consideration. Are we to pattern after England? Are we not drifting into debt fast enough?

I will include a few clippings from the London Times. The Times' report of the debate in the House of Commons, June, 1919:

"NATIONAL EXPENDITURE—THE QUESTION OF CONTROL."

"Mr. H. Samuel stated that it was right to say at the outset that they had found the chancellor of the exchequer and the Government departments very ready to adopt the suggestions which the select committee had made. So far from resenting them, they had, as a rule, really welcomed the committee's suggestions, because they realized that the committee had not been seeking opportunities for attack, but only seeking opportunities to be of assistance. There was a small number of outstanding questions as to which the Government had not met the suggestions of the committee or had met them only in a partial and insufficient degree. * * * He complained of the war office attitude to the committee on expenditure in regard to the military staff of the war office. The committee had recommended last December that the war office should hold an inquiry of its own into the question of the increase in the staff."

"MR. BONAR LAW'S REPLY."

"The chancellor of the exchequer: I can assure the members of my right honorable friend's committee that it is through no feeling of discourtesy to them that I rise now before they have taken their part in the debate. * * * It is the duty of the chancellor of the exchequer, more than anyone else, to welcome any measure by which greater control and some chance of saving can be secured in this immense expenditure. For that reason I welcomed the appointment of this committee. I welcomed it on the understanding, which has been adhered to, that it would be set up for the purpose of helping in this matter and not for the purpose of finding material with which to criticize the Government. There is a real danger that in dealing with this big question we may be so lost in details that we shall not be able to see the wood on account of the trees, and it is the business of the House to look at the larger aspects as well as the smaller aspects of this question. The Government have tried to carry out the recommendations of this committee."

The Times, Friday, August 29, 1919:

"WHITEHALL PURGE—RUTHLESS REDUCTION AT WAR OFFICE—NATIONAL SHIPYARD SCANDAL."

"Our correspondent at Chepstow calls attention to the waste of between four and five millions of money there at the National Shipbuilding Yards. In two years two ships have been launched. Mr. Clynes, speaking last night at Widnes, denounced the Government's extravagance and waste. * * * On top of Mr. Lloyd-George's letter to his colleagues has come a circular from the treasury addressed to the permanent heads of each state department, asking them to look into affairs and to effect economies in every possible direction."

The Times, Thursday, September 4, 1919:

"THE ENFORCEMENT OF ECONOMY."

"To the EDITOR OF THE TIMES:

"Sir: Mr. Mason thinks the suggestions made by Mr. Grant and myself for the control of expenditures beside the mark. His panacea is a change of Government, a remedy which suggests political partisanship rather than a genuine desire for economy. Those of us who are chiefly concerned to see good government restored look beyond the present 'hustle,' with its waste, its injustice, and its inevitable reaction. We want to see

a system established which will insure that projected economies, as well as projected expenditures, receive careful and instructed consideration. Flying visits of inspection, letters from high places, week-end decisions on hastily thrown together reports, will not effect our objects. They can only be secured by intimate inside knowledge. But that knowledge must be independent of the department, or its possessor will inevitably be hampered by that spirit which exists in all great concerns, and which, at its best, appears as 'esprit de corps,' at its worst as departmental jealousy. I have advocated the appointment of a treasury official in each of the great spending departments, and if your correspondent is correct something of the kind is about to be carried out. If this should be the case, the new officials should, as a matter of course, report from time to time to the select committee on national expenditure. I am, sir,

"Your obedient servant,

"NEVILLE CHAMBERLAIN."

"To the EDITOR OF THE TIMES:

"Sir: The long and short of it is the country has got to meet a bill by March 31 next of one thousand six hundred millions and will only have six hundred millions with which to meet it. Will Lord Fisher or anyone else be kind enough to tell us how this is to be done? Will the prime minister or the chancellor of the exchequer or Mr. Bonar Law tell us? I have been looking at your columns every day for this, but 'there is neither voice nor any that answered.' Are the English, who have shown themselves heroes in war, to be cowards in peace? Are our statesmen and generals and admirals, who have shown themselves invincible in battle, now to cringe and to cower before the calamity of insolvency, destitution, and want, and not to be able to point a way of safety from the self-accusing conscience of the nation which will save our self-respect and at the same time honor our acceptances? * * * I was addressing a multitude in the open air upon this question the other day, and a man afterwards came up to me and said that he did not think he could draw his pension conscientiously any longer, and he had determined to seek some useful occupation. That is the spirit of noble independence and self-sacrifice which peace demands of us, and unless we, as a nation, can show the same fortitude and valor now that we did in the war we shall deserve to sink into the same infamy and disgrace as did the ancient empires of the world. Mr. Hoover's very plain speaking about the 'stoppage of credit' is quite sufficient warning of what is coming upon us. * * * There is no doubt this country can pay its way in time, but if its throat is to be cut just when it is beginning to breathe, we might just as well all have been destroyed in the recent war. Is it not perfectly futile to talk about houses for the working classes when we can not get the fuel with which to make the cement or the bricks—fuel which we shall want this winter for our very existence? When the nation can not pay its way, it is pure lunacy to launch out into a national transport system and the nationalization of coal mines, which will cost many millions. A man with a bankruptcy petition on the file against him might just as well talk about buying a new house or building a yacht."

"Yours, obediently,

"EDMUND KIMBER."

Does that indicate economy under the autocratic budget system? I leave it to you, gentlemen.

I have a number of other clippings from press reports. I shall not read from them further than their headlines:

The Times, Tuesday, September 2, 1919: "Control of expenditure."

The Times, Saturday, August 9, 1919: "The road to ruin—State extravagance—Ministers' fears—New estimates in the autumn."

The Times, Wednesday, August 13, 1919: "Extravagance: the Government's apologies."

The Times, Monday, September 1, 1919: "Treasury control—A return to sound practice."

The Times, Saturday, September 20, 1919: "The public purse—Responsibility for control."

That is what the people of England think of the budget policy and no committee, or few committees, to review an appropriation. They have tried it. They are staggering under it. England is doing all it can to get away from the vicious, autocratic system, and is patterning after our system. We are expected here to adopt a system tried, discarded, and discredited in other countries.

I will also quote from the Economist.

In the issue of November 30, 1918, page 739, George Hamilton in an article stated:

"The nonperformance of these duties will ultimately land the country in insolvency or to infringe upon the present prerogatives of the chancellor of the exchequer and the treasury

by associating with them a capable cooperation, and by obtaining effective economy preserve national solvency. * * * I further contended in my letter that it was policy and not accountancy which alone can regulate and control national expenditure. If committees were established on the lines I suggested they would very much resemble the parliamentary bureaux of the French assembly, and these bureaux investigate expenditure before and not after it is sanctioned. My suggestions, therefore, would put some limitation on the powers which the chancellor of the exchequer, the treasury, and the House of Commons as a whole are now supposed to exercise, but it is because they are incompetent adequately to discharge this duty, and their incompetency is generally acknowledged, that it becomes necessary to substitute an effective machinery for that which from experience we know has failed and will continue to fail."

In the issue of December 7, 1918, page 776, Constitution Hill states:

"No tinkering with the constitution of the treasury will prevent the elect of modern democracy from spending public money."

In the issue of May 10, 1919, page 776, under an article entitled "This year, next year, some time—?" appears the following:

"Neither this year nor next year nor perhaps the year after will be entirely normal, and in considering what our policy ought to be, I am driven to the hazardous experiment of casting my mind forward into the future to an imaginary normal year." (The Chancellor of the Exchequer.)

"We may perhaps be doing an injustice by a comparison of the chancellor's finance with an almost passive religious piety, but there is about his speech—even about his exhortations to economy—a painful suggestion that things have gone far beyond his control, and a despairing hopelessness of any rapid improvement in the attitude of Parliament toward expenditure. * * * Hesitation in assuming that Parliament will show any respect for economy is natural and indeed inevitable, but it would be much better for the chancellor, instead of saying, 'I assume, though I have no right to assume, that you will be good boys,' to say to the House of Commons, 'So long as I am at the treasury you have got to behave yourselves.' In other matters the Government has not shown much respect for the independence or the importance of this House of Commons, and if firmness and dictation are wanted anywhere it is in the realm of finance that the need is most urgent. * * * Then we have in this hypothetical budget a debt charge of £400,000,000. This figure compares with an actual estimate of £360,000,000 for the current year, leaving a difference of £40,000,000 as the charge on subsequent borrowing. Here again results must depend on exertion and economy, and until revenue covers expenditure £400,000,000 will unhappily remain a hypothetical figure. How much more the State will have to incur through housing, redemption of debt, and loss on exchange is not clear, but we shall probably be fortunate if Mr. Chamberlain's estimate is not exceeded."

Here you have the result of the budget policy of England. Is it what is desired in our country?

"In the issue of May 17, 1919, page 797, under an article entitled 'Waste,' appears the following: 'Every now and then the select committee on expenditure or the auditor general lifts the veil for a moment and shows us a few striking instances of how Government officials have played ducks and drakes with the public money. * * * But we doubt whether the public have ever been given such startling revelations of the way in which their money has been thrown in the gutter as it provided by a report on the ministry of munitions issued this week by the comptroller and auditor general. Ten columns would hardly suffice if we were to give all the paragraphs in this report which refer to extensive official delinquencies, and we advise our readers to purchase the document for themselves. It is numbered 79 and may be obtained for 6d. at His Majesty's Stationery Office or through any bookseller. * * * We have not the space to pursue further this tragic catalogue of sins against the taxpayer. * * * We can not now save these millions that have already gone down the sink. But the plea that it is no good crying over spilt milk or shutting the stable door after the horse has been stolen is as perilous as it is specious.'

Worse and worse the further we look into it. Think it over.

In the issue of August 16, 1919, page 259, under an article entitled 'The prime minister's chance,' appears the following: "At the end of last week Mr. Chamberlain told the house that if we continue to spend as we are now spending, we shall be on the road to national bankruptcy, but seemed to regard his statement as a matter of purely academic interest, not requiring any action on his part. He is apparently prepared, after giving this

warning, to let things go on as they are. He also stated that on both sides of the account his budget estimates will be very wide of the mark. The expected expenditure will certainly be exceeded, and he will be some £70,000,000 short in his revenue. * * * Perhaps even more astonishing, as an indication of the Government's incapacity to see what is required of it by the country, was its defense of the charges made in the report, already referred to, by the select committee on national expenditure. A very important point, on which great emphasis has been laid by the daily press, was a reply made by the lord advocate (Mr. Clyde) to Sir John Hunter when he urged that criminal proceedings should be taken with regard to certain sums that appeared to have been wrongfully expended. * * * Such is the series of ineptitudes with which the rank and file of what is called our Government have heaped discredit on discredit. * * * We need drastic official economy and taxation. * * * We must pay our way, and since the budget is already a fallacious mockery, it must be amended so as to bring us at least as near to paying our way as we were said to be when it was brought in."

In the issue of August 23, 1919, page 320, under an article entitled "Controlling the departments," written by Charles John Wilson, appears the following: "Upon all hands we hear cries that if the nation would avoid bankruptcy, greater vigilance must be shown and greater control exercised over the spending departments. * * * Parliament finds it very easy to vote money—that is, to sanction expenditure—but in the present state of our finances it is necessary that much greater control should be instituted. That is wherein all Government departments fail so lamentably when brought into comparison with private enterprise. Why should it be so? Is it not that there is a fundamental difference in the methods employed? * * * Can nothing more be done to show our efficiency as a nation in controlling our spending?"

Mind you, all under a budget policy. Does that sound like economy?

I next compared the bill with the German budget policy. After making a comparison I need not say that I was not only surprised but astounded to see that the German budget system more closely guards its public treasury than the one suggested here. Aside from that, the two are practically the same. First, the preparation of the German budget estimates began with the local authorities. They were then submitted to the provincial authorities who criticized, revised, and coordinated them. They were next forwarded to the appropriate ministry—there are 12 of them. There they were again scrutinized, revised, and classified, and made an integral part of the department estimates. After the estimates were revised by the heads of the respective ministries they were transmitted to the imperial ministry of the treasury for further scrutiny and revision. They were then presented to the imperial chancellor for his approval. The final preparatory step in the budget procedure was the submission of the completed estimates to the Emperor. You will note that the estimates started with the local communities, the States and cities, and step by step were closely scrutinized and reviewed as they passed up to the Emperor, after which they were finally submitted to the Bundesrath, showing in itemized form the estimates, receipts, and expenditures.

That procedure has been characterized as autocratic. Here in America, under a democratic form of government, not only where we preach it but where we live up to it, where we have gone to the extent of sacrificing 75,000 lives and expending \$50,000,000,000 in order to stamp out autocracy and to make the world a safer and better place in which to live, now, within 12 months after the victory achieved, it is suggested that we plunge headlong into the most autocratic form of government ever suggested; that is, so far as making expenditures are concerned.

As was stated recently at the industrial conference by that noble champion of labor, Mr. Gompers, "Are we in this year of grace, 1919, when we have driven political autocracy off the face of the earth, to submit to an industrial autocrat?" The words can well be applied in this case. As everybody knows, a budget system means lump-sum appropriations, which makes it easier for certain ones to get their hands into the Public Treasury. The centralization of power to appropriate the public money in one committee is undemocratic and a step toward autocracy. It deprives the membership of this House of their rights and prerogatives and their rights can not be invaded without encroaching upon the rights of those whom they represent.

In Germany, after passing through the various steps indicated, estimates were introduced first in the Bundesrath—the chief

legislative organ of the Empire—a legislative council of instructed delegates from the several German States, appointed by the Princes or Kings of the States and the senate of the free cities, which council exercised the mixed function of a legislative and executive council or a court of appeals. It possessed the power of initiative and no change of amendment by the Reichstag could become valid without its approval. It was presided over by the imperial chancellor, at the head of the Prussian delegation. The Prussian members numbered 17. The total number of the Bundesrath, I believe, was 61. In Germany they had a committee representing the various States, cities, and local communities who watched over the items relating to their own States and saw to it that their rights were fully protected. Upon approval of the budget estimates the imperial chancellor of that body introduced them into the Reichstag with the budget bill, where it was debated and given consideration and then referred to the budget committee, a committee composed of representatives of various political parties, and similar to the one suggested here in this bill. Estimates were examined in detail. The commission from the Bundesrath appeared before the committee to give explanation and information. After that it was reported by the budget committee. Then the estimates were taken up for a second reading and debate. At the third reading the estimates were discussed item by item and then voted upon. As a rule, the majority of the Reichstag approved the budget upon the recommendation of the budget committee. The greatest freedom of debate was always allowed. Complaints against the departments' management were aired and criticized. After approval by the Reichstag the budget was then returned to the Bundesrath where it was finally approved and then promulgated by the Emperor.

Thus you have briefly a comparison of the German policy with the one suggested here. Slack and imperfect it may be, but who will dispute the fact that the German system is more safeguarded? If autocracy was a bad thing in Germany, why not here in America?

Mr. Chairman, how much time have I?

The CHAIRMAN. The gentleman has 10 minutes.

Mr. HAUGEN. May I have more time?

Mr. GOOD. I will give the gentleman more time if he wants it.

Mr. HAUGEN. As to the accounting, the proposed bill simply abolishes the office of six auditors and sets up a new bureau, that of the accounting department. The bill provides that the incumbents of the offices of auditors shall be transferred, at their present salaries, to the accounting department. That, of course, neither adds nor detracts. It is on a par with transferring the estimators from the Secretary of the Treasury to the bureau of budgets. All would be under the same influence, and the whole matter can, as before stated, be readily disposed of under the definition of "camouflage." In other words, it would comply more closely to the German system, except that the German system required a monthly accounting made by the imperial accounting department. Its members were nominated by the Bundesrath and approved by the Emperor. Under this bill they will be appointed by the President. Aside from that the two systems are practically the same.

Mr. SMITH of Michigan. Mr. Chairman, will the gentleman yield?

Mr. HAUGEN. Certainly.

Mr. SMITH of Michigan. I am interested to know whether or not the condition of the Kaiser at the present time is due to the budget system?

Mr. HAUGEN. I have pointed out the budget policy of England, and also the one of the Kaiser. We are now discussing the budget system and expenditures. My only purpose was to point out the disastrous result in all places where it has been tried out and the defects of the one proposed here. We have been experimenting with autocracy and one-man rule. As a result, not only has the Treasury suffered, but the parasites and profiteers have preyed upon the people. As a result, the Steel Trust increased its profits 1,000 per cent. The packers, millers, and others followed suit. The price paid to the farmer was and is being held down, and the price paid by the consumer has been persistently and constantly going up. The favored few are the only ones to benefit.

Mr. WASON. Mr. Chairman, will the gentleman yield?

Mr. HAUGEN. Certainly.

Mr. WASON. Does the gentleman think that the budget system as practiced by the Kaiser in Germany had anything to do with the Germans' ability to finance such a war as they did?

Mr. HAUGEN. We know that they nearly went bankrupt.

Mr. WASON. Did the country go bankrupt? How long were they able to stand out alone and finance the conflict?

Mr. HAUGEN. I have no comment to offer on that phase. I did not rise to discuss that proposition. I came here to discuss the budget systems and to compare the one suggested here with other systems.

Mr. WASON. I will put my inquiry in other language. Is it not a fact that when Germany had the budget system, which the Kaiser had some control over and safely guarded, that made it possible to put them in a condition to wage this war?

Mr. HAUGEN. I know that autocracy in Germany was criticized and condemned. I also know that the American dollar has shrunk in half, and that, according to recent quotations, the rate of exchange in Germany has depreciated about 75 per cent. If the value of the American dollar has depreciated 50 per cent and if German paper money is worth only 75 per cent of the American dollar, the Kaiser's dollar is worth only 12½ cents. If the budget policy had anything to do with credit, it goes without saying that it was a failure.

As everybody knows, a budget system means lump-sum appropriations, as was pointed out in the report and as was evidenced by previous reports of the committee. You have had your lump-sum appropriations. You have had your estimates. You have had your experience, like the rest of us. Only a short time ago you cut an appropriation of \$6,000,000 to \$4,000,000, and then you got up to \$14,000,000, and landed at \$8,000,000, all on a single item. Lump-sum appropriations were recently made. As a result we have the Arlington site, the Jamestown Exposition site, a report of the expenditures in Paris and I might refer to the \$100,000,000 lump-sum appropriation for the purchase of food. Are you satisfied with the results? If so, the plan suggested will undoubtedly bring about like results.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

The CHAIRMAN (Mr. NEWTON of Minnesota). The time of the gentleman from Iowa has expired.

Mr. GOOD. Mr. Chairman, I yield to the gentleman 15 minutes more.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. HAUGEN. Certainly.

Mr. BLANTON. The gentleman is making such an appealing speech that I was wondering whether he would like to have some one here to hear him. We have about 25 men on the floor. If the gentleman would like to have an audience, I will make the point of no quorum.

Mr. HAUGEN. It will all appear in the Record. If anybody cares to read it, he will have an opportunity to read it from the Record. I shall be satisfied.

I will take only another minute.

Gentlemen, the results obtained under the budget policy in other countries do not square with the contention set forth in the report. The bill now under consideration, if enacted into law, may do no harm. I doubt that it will improve matters. As this bill affects expenditures only, if it bankrupts our country as it has other countries, that may in time be overcome. But when a resolution having for its object an encroachment on the rights and privileges of the Members of the House is to be taken into consideration, that is a different matter. I for one shall oppose it. Recently our policy has been not to make this House more autocratic, but to make it more representative. Experience with autocratic power in the past has resulted in wreck and ruin. Shall it be tried again? Experience, careful thought, and consideration convince me that the best interests of the people in general and of the country at large would be better served by increasing the number of appropriation committees. In my opinion we should have at least one appropriation committee for each department.

Besides that, I am absolutely opposed to the concentration of legislative power in one man or in one committee, thus curtailing the Member's rights and personal independence. And, as I have stated, the Member's rights can not be encroached upon without invading the rights of those whom he represents. I believe that the people of the United States should have full opportunity to have their desires recorded; that their Representatives may have an opportunity to record their votes according to the dictates of their consciences and their best judgment.

Why, gentlemen, that is simply contending for that for which our forefathers fought and died. With due regard and respect to those who disagree with me and who believe in the concentration of legislative power, who believe that the best interests of the people can be better served thereby, and with due regard for and full appreciation of the charms and shrewdness of the proponents of the resolution, I can not help but believe that it is safer to trust to the judgment of 435 Members of the House representing 112,000,000 of people than to leave it to any one

man or any one committee. We have had experience along this line in the past. It is fresh in the memory of all of us. It resulted in wreck and ruin.

The rights and the principles for which our forefathers fought and died are as sacred to the American people to-day as they ever were. Rest assured that they are not going to yield in that respect. Our march will be onward. It will be upward. We will continue to lead all nations not only in commerce, in agriculture, and in industrial pursuits but in honor, dignity, in morality, and everything that goes to make a nation great and grand. [Applause.]

If I read the handwriting on the wall correctly, no autocracy or legislative subjugation for any length of time will be tolerated. Though the American people have at times submitted to autocratic rule, burdensome taxation, and inconvenience, you can put it down for a certainty that this and coming generations will ever contend for and maintain their rights. Now, as in the past, the American citizen's love for equal rights granted under the Constitution are as near and dear to him as they were to our forefathers who bled and died for them. He can at all times be counted upon to be true and loyal to our grand and glorious Government, with its splendid and magnificent institutions, and you may rest assured that its honor and dignity will ever be maintained.

Patriotism, loyalty, and the principles for which our fathers fought and died are as safe to-day as they ever were. [Applause.] And any party or set of men that undertakes to interfere with them will, as in the past, forever regret it. [Applause.]

Mr. BLANTON. One minute, Mr. Chairman. Let me ask the gentleman this question: Suppose the gentleman's committee, on making and reporting out a bill with this budget system in effect, should recommend the appropriation of a certain sum of money and that bill is passed, and suppose the budget committee should turn the proposition down and refuse to have the appropriation made. Is there any way that the gentleman, as chairman of the Agricultural Committee, could get a vote of the House on that proposition?

Mr. HAUGEN. No way at all.

Mr. BLANTON. No way at all?

Mr. HAUGEN. It is made hog tight.

Mr. BLANTON. You are absolutely cut off and hog tied?

Mr. HAUGEN. I will tell you what would happen. There has been more intense opposition to these few million-dollar appropriations for agriculture, for labor, and for education than to all the other appropriation bills. There is no secret about it. Here is your budget. It calls for, say, \$4,000,000,000. The revenue is only three and a half billion dollars. It will be necessary to cut the expenditures, the budget, half a billion dollars. It comes up to your bureau of budget, and what happens? The munition factories or the navy yards are in the favor of the bureau of budget, or whatever it may be. Where is the reduction to be made?

The director of the budget may say, "This little Department of Agriculture does not amount to very much. It asks \$40,000,000. Cut it down to \$20,000,000. It must get along with \$20,000,000. Here is education. Cut education \$10,000,000. Here is labor. Cut labor \$10,000,000. That will save \$40,000,000. That will give a friend a contract for another battleship, or \$40,000,000 to improve some river or harbor or to buy more munitions."

Mr. BLANTON. Then I understand that no committee of this House can recommend and pass a bill authorizing an appropriation to be made, after this proposed budget system is adopted? I understand this from the gentleman's statement.

Mr. HAUGEN. Page 3 of the resolution reads:

Rule XXI, add an additional clause as follows:

"5. No bill or joint resolution carrying appropriations shall be reported by any committee not having jurisdiction to report appropriations, nor shall an amendment proposing an appropriation be in order during the consideration of a bill or joint resolution reported by a committee not having that jurisdiction. A question of order on an appropriation in any such bill, joint resolution, or amendment thereto may be raised at any time."

Mr. BLANTON. No committee can?

Mr. HAUGEN. How could it under that rule?

Mr. BLANTON. I mean with the budget system.

Mr. HAUGEN. I referred to the budget system and amendment to the rule. That is not suggested here. You are speaking of a liberal budget system, but I am speaking of the autocratic budget system proposed here.

Mr. BLANTON. Under this autocratic budget system will it not be possible to bring in bills authorizing appropriations to be made?

Mr. HAUGEN. Not under the rule if amended as suggested, except by the one committee.

Mr. BLANTON. Not with this proposition?

Mr. HAUGEN. It is absolutely hog tight. No one need appear. Nearly all the committees are even cut off from making privileged reports. The Committee on Agriculture and the rest of them are not even permitted to make privileged reports, but the pork barrel is given the privilege under the proposed rule. And, as I said, it is made hog tight. I thank you, gentlemen. [Applause.]

I yield back the remainder of my time.

Mr. BLANTON. Mr. Chairman, I ask for two minutes to ask the chairman of the committee a question for information.

Mr. GOOD. I yield to the gentleman two minutes.

Mr. BLANTON. I should like to ask the chairman of this special committee and of the Appropriations Committee [Mr. GOOD] whether under this proposed budget system a committee such as the Agricultural Committee will not thereafter still have the right and the power to bring in proposed legislation, merely authorizing appropriations to be made, just as at this time?

Mr. GOOD. Certainly. No power has been taken away from any committee by the resolution.

Mr. BLANTON. Did the gentleman say yes or no? I did not understand his answer.

Mr. GOOD. I said the resolution did not propose to take away from a single committee of Congress any of its powers to report out legislation.

Mr. HAUGEN. But you take away the privilege to call up at any time.

Mr. BLANTON. Will that committee have the right to report legislation merely authorizing appropriations to be made?

Mr. GOOD. Yes; that is a legislative function.

Mr. BLANTON. That is a legislative function. Then the House has the right to pass on that proposed legislation and vote it up or down?

Mr. GOOD. Certainly.

Mr. BLANTON. And if the House votes it up and passes the proposed legislation, then it will be in order upon any appropriation bill. There being legislation authorizing it, it would be in order for any Member of Congress to offer the legislation on an appropriation bill?

Mr. GOOD. Yes. Of course the Senate would have to pass upon it, and the President would have to sign the bill.

Mr. BLANTON. Yes; but it would not be out of order.

Mr. GOOD. No.

Mr. BLANTON. Because there would be legislation authorizing such appropriation.

Mr. GOOD. Certainly.

Mr. BLANTON. Then the answer that the distinguished chairman of the Agricultural Committee made to me a moment ago, I take it, is incorrect.

Mr. GOOD. I did not hear the answer.

Mr. HAUGEN. I said that it cut off the right of privileged reports and to report appropriation bills.

The committee report reads:

CHANGES PROPOSED IN THE RULES OF THE HOUSE.

The resolution makes three important changes in the rules of the House, viz:

(1) It centers in one Committee on Appropriations, composed of 35 Members, the authority to report all appropriations, and takes from the Committee on Agriculture, Committee on Foreign Affairs, Committee on Indian Affairs, Committee on Military Affairs, Committee on Naval Affairs, Committee on the Post Office and Post Roads, and the Rivers and Harbors Committee the authority now vested in those committees to report appropriations.

(2) It requires that any Senate amendment to a general appropriation bill which would be in violation of clause 2 of rule 21, if said amendment had originated in the House, shall be first submitted to the House for a separate vote before such amendment be agreed to by the managers on the part of the House.

(3) It permits the raising of a point of order at any time on any appropriation item carried in any bill or joint resolution reported by any committee not having jurisdiction to report appropriations.

It is at once apparent that the principal change proposed in the rules of the House is the one centering all appropriations in a single committee.

Mr. BLANTON. But they still have the right to recommend legislation merely authorizing appropriations to be made—not making appropriations?

Mr. GOOD. Yes.

Mr. BLANTON. Merely authorizing them to be made.

Mr. HAUGEN. The proposed amendment to the rule does not so provide. That has never been the function of my committee. We have been an appropriating committee, with the right to report at any time.

Mr. BYRNS of Tennessee. I yield 10 minutes to the gentleman from Louisiana [Mr. LAZARO].

Mr. LAZARO. Mr. Chairman, I am indeed glad to know that Democrats and Republicans have at last come together in the consideration of a bill to establish a national budget system and an independent audit of Government account.

Conservative Members of Congress have been appealing to the people for a long time to produce more and economize in order to reduce the high cost of living. Not only that we should preach economy to the people, but we should also practice economy in government.

The slipshod manner in which congressional appropriations are now made constitutes in itself ample argument in favor of the adoption of the budget system in this country. We know that under the present system estimates are furnished Congress by the various departments, being transmitted through the Treasury Department, but not being inspected by any authoritative body. It is very plain to anyone who knows anything about legislation that in this way there is duplication of appropriations, waste, and an entire absence of proper business methods. We do not know until the end of the session how much money is voted to run the Government or whether there will be sufficient revenues to meet the appropriations. A private business run upon a similar plan would soon wind up in the bankruptcy courts. Some one said a good many years ago, when the total appropriations of Congress were not more than \$1,000,000,000, that a saving of \$300,000,000 a year could be effected if modern business methods were adopted in the financial affairs of the Government. No one can attempt, with any degree of accuracy, to name the exact amount of money spent needlessly during any fiscal year. However, one can safely say that the figures will run into millions of dollars.

With a large war debt hanging over us and the many appropriations needed to run the Government, it seems to me that it is high time to change our present system and save this money to the taxpayers of the United States. The Select Committee on the Budget to which this bill was referred reported the bill now under consideration favorably. The committee in its report says that it was their policy to consider the subject in its broadest aspect in order to determine not what was theoretically desirable but rather to determine what was practically feasible, keeping in mind at all times that to it had been committed the problem of recommending a system that would be in complete harmony with our constitutional form of Government. The report also states that there was a uniformity of opinion on the part of all the witnesses who appeared before the committee, and that without exception they all criticized the present system of handling our finances and took the position that we should adopt the budget system.

I think the definition given by one of the witnesses who appeared before the committee meets the situation that now confronts our Government:

A national budget—

He said—

is the instrument through which the several financial operations of the Government are correlated, compared one with the other, and brought under examination at one and the same time. It should be at once a report, an estimate, and a proposal. It is a document through which the Chief Executive, as the authority responsible for the actual conduct of governmental affairs, comes before the fund-raising and fund-granting authority and makes full report regarding the manner in which he and his subordinates have administered affairs during the last completed year; in which he exhibits conditions of the Public Treasury, and, on the basis of such information, sets forth his program of work for the year to come and the manner in which he proposes that such work shall be financed.

That the significance of past operations and the purpose of proposal for the future may be clearly seen, this document must be complete and detailed. It must cover all the financial operations of the Government, and cover them in such a way that the relationship between past actions and proposals for the future revenues and expenditures and assets and liabilities may be clearly seen.

The most important feature of a budget is that it shall be all comprehensive. It must bring together in one consolidated statement all the facts regarding the financial conditions of the Treasury and the revenues and expenditures of the Government, past and prospective.

The budget under the proposed plan will be an Executive budget only to the extent that the Executive initiates the budget. It is a congressional budget, in that it has been considered and acted upon by Congress. It is very evident that under the proposed plan the responsibilities of the President and the responsibilities of Congress will be well defined, and each branch will be held to a strict accountability for the part it has acted. Then, too, under the proposed plan the accounting department will furnish information to Congress and to its committees regarding the expenditures of the Government.

It may be that defects will be discovered in this bill while it is under consideration. If such is the case, let us hope that we will work in harmony to correct them. There is unanimity in Congress as to the necessity for economy and retrenchment. The only way we can practice real economy is to have business-like administration in every department of the Government, and that will come only when we adopt a budget system. If care is exercised and waste abolished, taxes, of course, can be reduced. If Congress will adopt a budget system, it will

accomplish a great benefit for the people. Even the United States, with a total estimated wealth of more than \$200,000,000,000, is not so rich or so powerful that it can afford to disregard the principles of business efficiency or fail to provide itself with a carefully-mapped-out budgetary plan. [Applause.]

I yield back the remainder of my time.

The CHAIRMAN. The gentleman from Louisiana yields back two minutes.

Mr. GOOD. I yield one minute to the gentleman from New York [Mr. SIEGEL].

Mr. SIEGEL. Mr. Chairman, I have heard the chairman of the Agricultural Committee, Mr. HAUGEN, discuss what he terms his opposition to this measure. I regret to say that he raised only three points—one, that of the lump-sum appropriation, which would be eradicated by the passage of this bill; second, the question as to whether other committees could bring in bills authorizing certain appropriations, the answer is that they can; third, as to how the budget system would be controlled. It would be controlled in two ways—one by the director of the budget in the office of the President, who would provide the budget, the other by the comptroller system, which would be under the jurisdiction and supervision of Congress itself.

The passage of this bill means the greatest forward step this country has taken in government in over 50 years. It is one of the greatest steps that we could possibly take, because it will mean in the long run that the American people will get 100 cents worth of return for every dollar appropriated by them.

The expenditures of the Federal Government have increased from \$581,393,374 for the year 1880 to \$21,813,356,598 for the year 1918. With such a large amount to be spent as twenty-one billions for the past year and with the knowledge that each succeeding year would mean an expenditure of at least \$5,000,000,000, the time has arrived when the people as well as their representatives must give very thorough study to the question of taxation as well as expenditures.

Once we know each year the amount which our revenues will produce, we can by proper scrutiny and the elimination of unnecessary bureaus and their duplication keep our expenditures within the amounts which the Treasury is to receive.

It has been repeatedly pointed out in the newspapers that we have entirely too much duplication of the same kind of work.

Recently I was asked to obtain some publications for the bringing up of a young infant. Investigation showed that the Children's Bureau in the Department of Labor, the Division of Publications in the Department of Agriculture, and the Public Health Service, under the supervision of the Secretary of the Treasury, all published pamphlets covering the same subject. We have doctors in the Interior Department, in the Labor Department, in the War Risk Insurance Bureau, and several other departments, when if all these doctors were under one chief or one bureau head there would be eliminated the useless overhead charges, including space occupied, besides the amount spent for unnecessary clerical and stenographical work.

We can realize very fully that the constant expenditure of money by the Government without the full realization of the fact that the amount being expended is greater than the income must result in a still heavier burden of taxation to be placed upon the people.

Dr. Edward A. Fitzpatrick, now of Wisconsin but a native New Yorker, who has written the book entitled "Budget Making in a Democracy," has repeatedly pointed out that it is not merely the amount of expenditure, but how the money is spent, which is of the deepest interest to the people at large.

It seems to me that, in order that the budget may be made more effective, that the rules of the House must be changed, in order that the members of the Cabinet should be permitted to appear upon the floor of the House when appropriation bills involving their departments are up for consideration, and in order that Members of the House may have the opportunity of personally interrogating them as to the items contained therein. It is not as radical a change as some people imagine.

We are passing through trying times in this country, and in order that there may be a reduction in the cost of living it becomes every American to try to set his own house in order and to purchase only where he can obtain the most for his money. He should have a budget of his own for his home. He should strictly adhere to that budget. The Government of the United States should not only have a budget, but there should be constant and close scrutiny for the purpose of making certain that the Government obtains full value for every dollar spent.

The American people are giving deep study at the present time to the various questions which are constantly arising, and they view with the greatest of favor the enactment of this bill into law.

Mr. GOOD. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. Watson].

Mr. WATSON of Pennsylvania. Mr. Chairman, I will vote for this bill provided the Budget Committee can prove that under this system we can save millions for the taxpayers of our country. The Members of the Sixty-sixth Congress on both sides of the House were elected with the view of exercising economy. I have been opposed to the number of bureaus that have been created in this and other Congresses since I have been a Member, because they take too much money from the Treasury.

It was said by the chairman of the Ways and Means Committee that our taxes for 1920 would be \$6,000,000,000 more than in 1919. It is true that we have saved the country millions of dollars, but it seems to me, Mr. Chairman, that we are putting in at the bung-hole and drawing from the spigot, and if we continue to do this, at the end of the Sixty-sixth Congress the barrel will sound pretty empty. The distinguished chairman of the committee in his eloquent address the other day, when he opposed the vocational bill, asked Congress, Where are we to get the money? There was no answer. He asked the question again, Where will you get the money to meet our national expenses? And I have not, Mr. Chairman, heard a reply. And yet within 24 hours after his question he brings into this House a bill creating a bureau which, as one of the members of the committee said, will cost the Government \$100,000, but he also remarked it would save the country millions of dollars. I want to know how this autocratic committee, which is composed of the same men as the Appropriations Committee, is going to revolutionize the affairs of state so that it may be able to save millions of dollars for the American people. I want to hear from the present chairman of the committee, and I ask him now to answer my inquiry, What is the procedure by which these committees will be able to save the country millions of dollars through this new committee of 35? I again ask the gentleman the question.

Mr. GOOD. If the entire power was centered in one committee that committee could look at the entire picture at the beginning of the Congress, and if cuts had to be made these cuts could be distributed throughout the various services of the Government, and it would not leave upon one committee the obligation to make all the cuts that were required, while perhaps some other committee might appropriate extravagantly. One yardstick would apply to all committees.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. GOOD. I yield the gentleman two minutes more.

Mr. WATSON of Pennsylvania. What greater facilities would your committee have in obtaining necessary appropriations under the budget system than other committees if, as you say, you are going to save money?

Mr. GOOD. This bill will provide for greatly added facilities for furnishing information to the appropriate committees, whether we have one committee or many.

Mr. WATSON of Pennsylvania. Can the gentleman give us an instance?

Mr. GOOD. Yes; first, the items will come in thoroughly digested, and it will not be the estimate of the bureau chief alone. It will be the estimates of the President of the United States, who will know that if they are too large they are going to be criticized. It will also be scanned by the accounting department, and the comptroller will be able to have his force of auditors at all times at the command of Congress, so that if any inefficiency or waste exists he will convey the information to Congress.

Mr. WATSON of Pennsylvania. Would the present appropriation committees have the same facilities?

Mr. GOOD. I do not think so.

Mr. WATSON of Pennsylvania. They could call the same witnesses.

Mr. GOOD. The President of the United States never comes before the committee. Members of the Cabinet used to come, but they have quit coming because they demonstrated the fact that they do not know anything about the bureaus under them.

Mr. WATSON of Pennsylvania. I want to say that I am in favor of any system which is going to lessen the taxes for people of the country.

Mr. HAUGEN. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the Record.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent to revise and extend his remarks in the Record. Is there objection?

There was no objection.

Mr. BYRNS of Tennessee. Mr. Chairman, I yield one minute to the gentleman from Texas [Mr. Blanton].

Mr. BLANTON. Mr. Chairman, there are two kinds of committees existing in the House to-day, one which has appropriating power and the other that has the power only to authorize

appropriations with respect to legislation proposed. From the answer by the chairman of the Agricultural Committee [Mr. Haugen] to the question I propounded to him, and the answer given by the chairman of the Appropriations Committee [Mr. Good] to the same question, evidently they do not coincide. I do not yet understand the situation. I would like for the chairman of the Appropriations Committee, if he will, to explain. I would like to understand the situation, and I believe other Members would also. I would like to have him explain clearly to the House whether, if the proposed budget plan is adopted, the various committees of the House would still have the right to bring in and report proposed legislation that authorizes appropriations.

Mr. GOOD. Yes. Authorization is legislation, and we have not curtailed their power of legislation in the least.

Mr. BYRNS of Tennessee. Mr. Chairman, I yield 20 minutes to the gentleman from Texas [Mr. Box].

Mr. BOX. Mr. Chairman, I do not feel quite as much at home here as in a Texas courthouse, and I am going to ask that you permit me to stand here and that you do not interrupt me. I probably will not be able to say anything worth hearing, but I shall have a better chance to do it if you do not interrupt me.

The subject under consideration by the House is one which is very interesting to the country. It is interesting to the new Member, who realizes something of the present situation in the country, and the need of some kind of a satisfactory solution of the difficulty which confronts us. It is confessedly great. I would not feel inclined to support any measure that deprived Congress of the powers conferred upon it by the Constitution, because, in the first place, I realize the binding force of that instrument, and, in the next place, I think the power in safer hands here than elsewhere. While I think the remarks of the gentleman from Iowa [Mr. Good], to the effect that there might be some house cleaning here, are pertinent and true, yet I believe, from what I have seen at a distance as a citizen, from what I have seen since I have been a Member, that if this body is not the protecting and economizing influence in the National Government, then its guardian forces are weak. I believe that the House of Representatives is the people's best hope.

I am inclined to favor the measure under consideration, because, as presented here, it seems that it will furnish more information to us, to the country, to those who would act upon the various estimates, and enable us all, including our fellow citizens at home, to form a more intelligent judgment, because based upon more accurate information, more careful examination. I favor it because I think it will tend to make public the issues involved. I believe it will draw public attention to the estimates and appropriations as we will consider them. I think it will, therefore, be helpful.

But permit me to suggest, Mr. Chairman, that I think that no mere system by itself will accomplish what we want. Machinery without motive power will be ineffectual. Any new organization that has not behind it a new attitude on the part of Congress and on the part of the people whom we serve here will not accomplish all that should be accomplished. It is a very common mistake for men who want to forward a given cause or to work a given reform to build on more and more machinery, to add new systems.

My position is that whatever the system be, if the Members of this House and the Members of the body at the other end of the Capitol and the determination of the people at home are such as to require it, with any sort of a system, certainly with the one which we now have, we will accomplish the purpose which the people are in earnest about having us accomplish. If our attitude and that of the people at home remain unchanged this system or some kindred system may be helpful, but it will not go very far, because it will limp and stop for lack of life.

I do not intend, in the brief time that I have, to discuss the machinery that is proposed. I think the members of the committee, the men having the benefit of years of experience and study here, are in much better position to advise their colleagues about these various provisions, and I approach it from a somewhat different standpoint, and that is the purpose behind it.

We have had a great deal of talk here about the high cost of living, great Government expenditures, and high taxes. I think it is not an accident that all this talk comes together. I think the subjects are very closely related to each other. While we have nearly reached the conclusion that not all of the evils of the high cost of living can be remedied by legislation, we will make a serious mistake if we conclude that Congress can do nothing. The enormous waste which has been committed by the world and the enormous expenditures which have been made by the Government have been drawn from the substance of the people. The world has wasted enough to provide for its main-

tenance for several years, and it now seems surprised that the consequences of that waste are upon its people.

For our proper use and for the use of our allies we expended something like \$30,000,000,000 during the last two or three years. That means something like \$300 per capita—\$300 for each man, woman, and child in the United States—or something like \$1,500 for each average family of five. We are raising four billions of dollars by taxation in one year. On an average that is about \$40 per head, or \$200 for an average family of five. Rich people will not feel that drain. Poor people can not pay it. But the average man feels it and is distressed by it. I believe that Congress will make a very serious mistake if it concludes that because we can not right all these evils now it can do nothing. There are two things to be done. One is to make more and the other for the waste to be less. Those things are fundamentally necessary. There is a part of this that we can control. When we draw \$4,000,000,000 from the substance of the producers of America in one year we add it to the burdens of their life, we add it to the expense of living.

When we deal with large appropriations we must not imagine that our action has no direct relation, no direct connection, with the problem that the average citizen is trying to solve when he undertakes to make his income meet his expenses. It does have a direct connection with this serious problem with which the average man is wrestling. I am very much gratified to see the working members of this body are trying to solve the great question now.

If you will permit the suggestion from one who is inexperienced in such matters, it is more important than many of us have realized that this problem be worked out. There is not a great deal of starvation nor actual suffering in the United States on account of the high cost of living, but there is a nervousness, there is, if I may call it such, a kind of hysteria, there is a fretfulness, a discontent, in the minds of the people which is not wholesome. When we remember that the doctrines of anarchy and revolutionary socialism are being widely and persistently taught, and that a state of discontent in the minds of the people is the most fertile soil in which that kind of doctrine can take root and grow, we ought then to realize that as great men in other times here have met great problems and have dealt with them heroically and unselfishly and successfully, so we are called upon in the day of America's greatness, of the height of her greatness, to deal with problems perhaps as great as any they dealt with. In my humble judgment we are dealing with them now. I insist that the difficulty of this is greater than many of us realize.

It is not easy for a man who forms extravagant habits to shake them off so long as he has recourse to wealth that he can waste. It is not easy for States and nations having built up a system of enormous expenditures to lessen those expenditures. It is said that taxes once up never go down. The tendencies are the other way. The habit of extravagance and the liberal use of money once contracted is hard to break. This is true of nations. It is especially true of us when we survey the vast field of our wealth and see the magnitude of it. It is especially hard for us to look upon that wealth and upon the resources of the Nation as sufficiently limited to restrain us. It is nevertheless true that there are limits beyond which it is dangerous for us to go.

Another thing in connection with the situation is the attitude of the people whom we represent—their demands for appropriations do not stop. What colleague of mine has been notified by organizations or institutions receiving Government appropriations at home that they want their appropriations decreased because the Government is up against an emergency? What people at home have written us that just now they do not think it would be a patriotic thing for us to take home to our districts all the money we can? The truth is that the people still appear to have the idea that the National Treasury is a kind of self-filling chamber of gold; that it pours in there from unseen sources and flows out and may flow out forever in an almost boundless stream. I think it is our duty to help remove that idea. I am afraid they do not fully realize that the Nation gets its wealth by drawing it from them and that they are pinched and stinted because that wealth is being drawn away from them. In my imperfect conception of my obligation as a faithful Member of this body, representative of my people at home, I shall undertake to inculcate in them, so long as by their partiality I represent them here and as a citizen when I go back among them, the fact that this Government, great as it is and boundless as is the wealth it controls by virtue of its power to take what the people have—that they and their representatives are guilty of vicious, impoverishing, and hurtful waste in expending vast sums of money as they are often expending.

Mr. BLANTON. Will my colleague yield for a question?

Mr. BOX. I will.

Mr. BLANTON. I will tell my colleague what I believe our constituents think about the matter. I think that every time we make a lavish and unnecessary appropriation for any part of the country that is in the nature of pork-barrel graft even the good people directly benefited thereby deem our little offering ridiculous, laugh at us in their sleeves, and they look upon us with distrust and compassion, if the term may be used, regretting that we should have such a wrong conception of their ideals and characteristics. We spend hundreds of thousands for garden seed, which the people know was paid for with their money, and is no present from us. If we could only realize how much fun they make of us concerning these items, we would stop the waste. They would like to be able to rely upon us to exercise good judgment in the way in which we should exercise it, in taking care of and conserving the money that belongs to the people of this Government. I do not think that the people in any district in the United States appreciate pork-barrel legislation.

Mr. BOX. I thank my colleague for his suggestion. I yield to no man in admiration and in respect for the good people who have gratified an ambition I have indulged in since I was a child; but will this House and my colleague permit me to say I think they are much more disgusted when the money goes somewhere else than when it comes to them? [Laughter and applause.]

If I am trying to get a part of the pork barrel, I can not stand there with a club and knock every other colleague off when he wants some of it, for he will likewise knock me back. I am saying this because I think it should be said. I am sure my people will not misunderstand me if they see these words, for I have undertaken in whatever career I have here to take my people into my confidence. I am going to deal with them on that basis. In the brief experience that I have had with them on that basis I have not found it unsuccessful. Each one of us owes that obligation to this Nation and to his people. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. BYRNS of Tennessee. I will yield 10 minutes additional to the gentleman.

The CHAIRMAN. The gentleman is recognized for 10 additional minutes.

Mr. BOX. In addition to that, gentlemen, we need what the honored gentleman from Illinois said we needed here the other day—we need courage in dealing with this situation. These measures that come here demanding more and more money must be discouraged. The money in the Treasury must be dealt with by us as trustees. We are guardians of what there is over there. When I have been here longer, if I am permitted to stay longer, I may be able to work out such a problem as was presented here the other day when the gentleman from Iowa said, "You have not got the money." The faithful, hardworking chairman of the Appropriations Committee said, "You have not the money and you are not going to have the money. What are you voting away? Where are you going to get what you are voting away?"

And then the House proceeded as if that difficulty had not been presented. I am wondering when the budget system is adopted here, and some one we have no less confidence in than we have in our faithful, hard-worked colleague says the same thing, and we know it is true, as we knew it was true when he said it, just how we will deal with identically the same proposition when it is presented under a budget system.

I look among the bills that I understand are to be considered, and I see some providing for a very large outlay; some that will be very hard for the average Member of Congress to resist. When you say to me, for instance, that "You are going to get for Texas several millions of dollars out of the provisions of the Smith-Towner bill," and you ask me how the folks will think of it, if I do not help them to get their part of it. Will they say, "Oh, well, the others are getting a part of it for their districts"? The people should know the heart of these questions, but they often do not. I am wondering how we are going to deal with questions like that when they confront us. I say that is not in criticism of any particular measure, but that situation requires a high order of courage for a set of men who want to serve and please their people, and yet know that they have in their keeping the destinies of this great country.

Mr. MADDEN. I would say that the duty that is imposed upon the Members of Congress then is to look at the Nation and not at the locality.

Mr. BOX. The gentleman is preeminently correct, according to my conception. And will you permit me just a minute to say that I have not forgotten what I said to them when I came

up here? I got out on the hill the other day and looked to the West, and there were the hills of Virginia, and my imagination went across the whole continent, to the Pacific Ocean, and up North and down South, and fastened on what the 100,000,000 of American men and women were thinking and doing. Their problems became still more a reality to me. They are human, but they are a great people, entitled to great service from us. Let us not imagine that in any of our little games we are fooling them. From the eyes of that multitude of 100,000,000 Americans there are many discerning and inquisitorial and somewhat doubtful and cynical looks. Ride in a sleeping car, ride in a day coach, go out among the farmers at their schoolhouse meetings, talk with the men in the cab of the engine and in the shops, talk with all of them, and think of them all as one great mass, and remember that they are enormously, tremendously, acutely interested in what we are doing. They know, if we do not know it, that the situation up here is somewhat serious, and when we play politics back and forth across this middle aisle they know it.

Mr. BLANTON. And they know it when the Republican bull whip is flourished over there, too.

Mr. BOX. Well, I wanted to discuss this question, in my unsatisfactory way, with the utmost frankness, and I did not care to put forth any partisan question, because I know we do agree about some of the fundamentals here, and that we should get down to the accomplishment of our purpose.

I will relate a little incident illustrative of that point. The first day I came here I made it a point to meet the honored gentleman from Illinois [Mr. CANNON], of whom I had heard since I was a boy. He was in Congress when I was born, or soon afterwards. None of my colleagues who knew me were present to present me, and I introduced myself. Pardon this personal reference. The old gentleman said, "You belong to one party and I to another; we live in different sections of the country and will disagree about many things, but I hope we will agree that we do not want this country to go Bolshevik."

Now, Mr. Chairman and gentlemen, there are many things that are within our power. We could do them by the exercise of the right purpose and determination. I do not want, if I seem cynical and critical, to be so understood. I do not know how to discuss anything but by just saying what I think about it. But there are some things that I see here that my honest judgment does not approve and which I know our people would not approve. You will permit me to say that although I have not had the experience of years of service here I come as fresh from the body of the people as any of you. I suspect I might be able to form something like as accurate an opinion of what they are thinking and feeling as men who have been here for many years.

My own judgment is that they feel these problems just as acutely as we do, and perhaps more so. I am in full sympathy with what the gentleman from Iowa [Mr. GOOD] said a while ago, when he stated that we ought to begin housecleaning here at home. If my colleagues permit, I will suggest some things that I see.

In the first place, I think every man who has reported here on the conditions in the departments has said that the departments have a great many people that they do not need to whom they are paying high salaries. I think everybody I have heard talk has said that.

Perhaps the limitations of a life of more or less severe poverty has narrowed my views on such subjects, and I would not have them affect my ideas on the problems of my great country. I see things about the Capitol Building, that we control, that do not seem to me to be in the interest of economy. I think, for example, this habit we have of paying the families of our colleagues a year's pay when they die is not justified by law. All respect to the princely men who have sat here, and their families, with whom we sympathize; but where is our justification for that? The Constitution says we shall receive such pay as has been ascertained by law.

The other day a question arose here as to an appropriation, and somebody said, "This is not warranted; this is unwise; we had better have this question carefully looked into"; and an eloquent gentleman rose and said, "Who is kicking about that \$7,500 that is paid to the families of deceased Congressmen without warrant of law? If we do things like that, why be particular in dealing with an appropriation like this one?"

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BYRNS of Tennessee. Mr. Chairman, I yield five additional minutes to the gentleman.

The CHAIRMAN. The gentleman's time is extended five minutes.

Mr. BOX. I wonder what could not be justified if you use that as a precedent.

I noticed an incident when I visited this House and had permission to occupy this floor some months ago, when two gentlemen were contesting a seat here. One of them had served for two years; and on the last day of the session, the dying day of the Congress, that contest was decided, and he was unseated, and both of them drew full pay for two years. I wonder what we would say about some such policy as that in one of the departments?

I understand, gentlemen, that this Congress can not right all these evils, and that we can not provide a remedy now that would bind all our successors; but I do say that our committees on elections could hasten these contests, whatever may be the merits of them, and whatever is to be the action ought to be taken. [Applause.]

I say these things, gentlemen, not because I think that anything that we may say on such abuses in this House will have such a wonderful effect on the financial condition of the country; but they do have a big effect on the estimate which the people place upon us and upon our action. Such things do have a wonderful effect upon the way the other man looks at us while we talk economy. I have been indulged very much in the time extended to me. My judgment is, gentlemen, that the problem of reducing expenses and taxes is serious.

We are going to have to deal with very difficult questions. Dr. Franklin said during the last hours of the Constitutional Convention of 1787 that almost everything depends upon the opinion which the people hold of their Government.

My own study of history has taught me that the people have been devoted to their government so long as they could respect it. I have never yet read of an instance where a fairly good government, once established, was overthrown by its people. We will have nothing to fear upon the part of this liberty-loving, discerning, independent people that we represent here if we in the utmost good faith undertake to live up to our preachments of economy [applause]; and, after building a better system, let us put behind it the motive power that will carry it into successful execution. [Applause.]

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from Texas yields back one minute of unused time.

Mr. GOOD. Mr. Chairman, I yield 20 minutes to the gentleman from Nebraska.

Mr. BLANTON. Mr. Chairman, this is marketing evening. I think we ought to have a chance to market this evening. I am going to make the point of no quorum.

Mr. GOOD. I hope the gentleman will not do that. I am going to move to rise presently.

Mr. BLANTON. There are a good many employees of this House who have to do their marketing Saturday evening, and many places close a little after 5 o'clock. With the usual extensions, and so on, we will have to be here until after 5.30. So I make the point of no quorum.

The CHAIRMAN. The gentleman from Texas makes the point of no quorum. Evidently there is no quorum present.

Mr. GOOD. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. TOWNER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 9783) to provide a national budget system and an independent audit of Government accounts, and for other purposes, had come to no resolution thereon.

EXTENSION OF REMARKS.

Mr. BOX. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. HAWLEY. Mr. Speaker, I make the same request.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

CONTESTED-ELECTION CASE—TAGUE AGAINST FITZGERALD.

Mr. OVERSTREET. Mr. Speaker, I ask unanimous consent for myself and the gentleman from New York [Mr. JOHNSTON] to file minority views in the contested-election case of Tague against Fitzgerald.

The SPEAKER. The gentleman from Georgia asks unanimous consent to file the views of the minority in the case of Tague against Fitzgerald. Is there objection?

There was no objection.

LEAVE OF ABSENCE.

By unanimous consent leave of absence was granted to Mr. HULINGS, indefinitely, on account of important business.

ADJOURNMENT.

Mr. GOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 51 minutes p. m.) the House adjourned until Monday, October 20, 1919, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. OVERSTREET, from the Committee on Elections No. 2, to which was referred the contested-election case of Tague against Fitzgerald, submitted a report thereon (No. 375), which said report was referred to the House Calendar.

Mr. ROGERS, from the Committee on Foreign Affairs, to which was referred the bill (S. 2250) providing for the exchange of certain legation buildings and grounds owned by the Government of the United States in Bangkok, Siam, reported the same without amendment, accompanied by a report (No. 390), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. SABATH: A bill (H. R. 10032) to change the name of oleomargarine to butterine and to change the rate of tax on butterine; to protect the consumers, dealers, and manufacturers of all kinds of butterine against fraud; and to afford the Bureau of Internal Revenue more efficient means for the detection of fraud and the collection of revenue; to the Committee on Agriculture.

By Mr. CHRISTOPHERSON: A bill (H. R. 10033) to provide for the issuance of stock, bonds, mortgages, and other evidences of indebtedness by corporations or associations engaged in the business of common carrier or public utility doing an interstate business; to the Committee on the Judiciary.

By Mr. JOHNSON of Washington: A bill (H. R. 10034) to amend section 4 of the act of June 29, 1906, as amended by the act of May 9, 1918, facilitating naturalization of aliens in Government employ; to the Committee on Immigration and Naturalization.

By Mr. DALLINGER: A joint resolution (H. J. Res. 236) to authorize leave of absence for employees of the United States Government residing in the Commonwealth of Massachusetts who are members of the Massachusetts State Guard; to the Committee on Expenditures in the Post Office Department.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 10035) granting an increase of pension to James Murphy; to the Committee on Invalid Pensions.

By Mr. DUPRÉ: A bill (H. R. 10036) to carry into effect the findings of the Court of Claims in the matter of the claim of the heirs of Isabella Ann Fluker; to the Committee on War Claims.

By Mr. ESCH: A bill (H. R. 10037) to correct the rank of Lieut. Joseph R. Austin on the permanent Navy list; to the Committee on Naval Affairs.

By Mr. FERRIS: A bill (H. R. 10038) granting an increase of pension to James R. Vickers; to the Committee on Invalid Pensions.

By Mr. HICKEY: A bill (H. R. 10039) granting an increase of pension to Franklin A. Lindsey; to the Committee on Invalid Pensions.

By Mr. MCARTHUR: A bill (H. R. 10040) granting an increase of pension to James Renshall; to the Committee on Pensions.

By Mr. MCKINLEY: A bill (H. R. 10041) granting a pension to Reuben E. Lawrence; to the Committee on Invalid Pensions.

By Mr. MAJOR: A bill (H. R. 10042) granting an increase of pension to Henry E. Torrance; to the Committee on Invalid Pensions.

By Mr. WILSON of Illinois: A bill (H. R. 10043) granting a pension to Louisa J. V. Vaughn; to the Committee on Invalid Pensions.

By Mr. YOUNG of North Dakota: A bill (H. R. 10044) to amend or correct the commission issued to Ansel Griggs Wine-man; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. CAREW: Petition of American citizens of Lithuanian origin, praying the President of the United States and the Congress of the United States to give moral support to the Lithuanian people in their struggle against the Bolsheviks; to the Committee on Foreign Affairs.

Also, petition of Anton Richter, president of the Bohemian Slavonian Fraternal Benevolent Association, protesting against the passage of the Myers bill; to the Committee on Printing.

By Mr. ESCH: Resolution of the Hydraulic Society, adopted at a meeting held in Buffalo, N. Y., protesting vigorously against the Plumb plan with regard to railroad legislation; to the Committee on Interstate and Foreign Commerce.

By Mr. FERRIS: Petition adopted by the Sixteenth Annual Convention of the Oklahoma State Federation of Labor on the 16th day of September, 1919, urging the ratification of the peace treaty at the earliest possible moment by the Senate of the United States in order that the nations of the world may resume their normal and peaceful relations; to the Committee on Foreign Affairs.

By Mr. NICHOLS of Michigan: Petition of commission on after-war problems of the African Methodist Episcopal Church, of Detroit, Mich., urging Congress to make inquiry as to the underlying cause of race riots in several cities in the United States, with the view of formulating such suggestions for adoption by the people as may prove a safeguard against similar outbreaks in the future; to the Committee on the Judiciary.

Also, resolution by Hiram Lodge, No. 1, urging the passage of the bill making lynching and mob violence an offense against the Federal Government; to the Committee on the Judiciary.

By Mr. O'CONNELL: Petition of American citizens in meeting assembled in the Borough of The Bronx, New York, under the auspices of the Michael Davitt Branch of the Friends of Irish Freedom, urging the Congress of the United States to recognize the Irish Republic, and for the Senate of the United States to consider the treaty of peace separately from the covenant of the so-called league of nations; to the Committee on Foreign Affairs.

Also, petition of Northern New York Utilities (Inc.), of Watertown, N. Y., protesting against national and absolute prohibition; to the Committee on the Judiciary.

Also, petition of National Association of United States Customs Inspectors of New York City, urging the support of House bill 6577; to the Committee on Ways and Means.

Also, petition of Branch No. 16 of the National Association of United States Civil Service Employees at Navy Yards and Stations, urging legislation for an increase in compensation for all employees under that organization; to the Committee on Reform in the Civil Service.

Also, petition of Chief Yeoman R. W. White and Chief Gunner's Mate C. H. McDonald, both of United States Navy, representing chief petty officers, urging the passage of the bill giving a raise in pay to officers and enlisted men of the Navy and Marine Corps; to the Committee on Naval Affairs.

Also, petition of Civil Service Forum of New York City, urging that House bills 6577 and 6659 be favorably reported out of committee and finally enacted; to the Committee on Ways and Means.

Also, petition of Rigney & Co., of Brooklyn, N. Y., urging the support of Senate bill 3011; to the Committee on Agriculture.

Also, petition of Foster-Milburn Co., of Buffalo, N. Y., urging proper amendments to House bill 5123, to the end that reputable manufacturers who are not now protected may be protected; to the Committee on the Post Office and Post Roads.

Also, resolutions adopted by the American citizens of Lithuanian origin residing in the city of Rochester, N. Y., urging Congress to give moral support to the Lithuanian people in their struggle against the Bolsheviks and Polish militarism by recognizing the Lithuanian Republic as an independent State; to the Committee on Foreign Affairs.

By Mr. RAKER: Telegram from R. C. Turritin, of Constantia, Calif., protesting against allowing Great Britain to sell a large amount of wool in this country and requesting that an embargo be placed on the sale of such wool; to the Committee on Ways and Means.

Also, letter from Little River Redwood Co., of Bulwinkle, Calif., protesting against the bill introduced by Representative

JEFFERIS, which prohibits the exportation of lumber for two years; to the Committee on Ways and Means.

Also, letter and copy of resolutions passed by the directors of the Association of Business Organizations of Los Angeles, Calif., requesting that because of the different conditions governing them the electric railways be eliminated from legislation for the steam railroads; to the Committee on Interstate and Foreign Commerce.

By Mr. WINSLOW: Resolution of Men's Association, First Baptist Church, protesting against acts of cruelty and oppression committed by Japan in Korea; to the Committee on Foreign Affairs.

SENATE.

Monday, October 20, 1919.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, our lives are in Thy hands. Thou dost order our ways. The truth that Thou hast given to us stands ever past recall, and our highest good comes from bringing our thought and our will into subjection to Thy thought and Thy will. To live out our lives as God would lead us is to reach the highest good. We pray Thy blessing upon us this day that we may think of Thee who art the God above us, leading us to the accomplishment of a divine purpose. For Christ's sake. Amen.

The Secretary proceeded to read the Journal of the proceedings of Saturday last when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT. The Chair lays before the Senate a petition of 14,450 clergymen, pastors of churches and representatives of leading denominations and Christian agencies, praying for the speedy ratification of the treaty of peace without reservations or such amendments as would require a resubmission of the treaty to the peace conference and to Germany. The letter of transmittal and the body of the petition will be printed in the RECORD, and the petition will be referred to the Committee on Foreign Relations.

The letter and petition are as follows:

NATIONAL COMMITTEE ON THE CHURCHES
AND THE MORAL AIMS OF THE WAR,
New York, October 16, 1919.

HON. THOMAS RILEY MARSHALL,
The Senate of the United States, Washington, D. C.

DEAR SIR: I am inclosing herewith a petition signed by 14,450 clergymen, pastors of churches and representatives of the leading denominations and Christian agencies of America, asking for the ratification at the earliest possible date of the Paris peace treaty, embodying the league of nations covenant, without reservations or such amendments as would require the resubmission of the treaty to the peace conference and Germany.

Will you kindly see that this is brought to the attention of Congress. Very respectfully, yours,

HENRY A. ATKINSON.

We, the undersigned clergymen, representing the churches of the United States, urge the Senate of the United States to ratify at the earliest possible date the Paris peace treaty embodying the league of nations covenant without reservations or such amendments as would require resubmission of the treaty to the peace conference and Germany.

Mr. PITTMAN. I have a telegram here from the Nevada Federation of Women's Clubs, which I should like to have read. There being no objection, the telegram was read, as follows:

ELKO, NEV., October 18, 1919.

Senator KEY PITTMAN,
Washington, D. C.:

Believing that peace should be attained at the earliest moment, the Nevada Federation of Women's Clubs, in convention assembled, do earnestly urge the United States Senate to ratify without amendment the treaty of peace, including the league of nations. Mailing resolutions adopted.

Mrs. E. K. SMITH,
Chairman Committee on Resolutions.
Mrs. GEORGE WEST, Director.

Mr. LODGE. I present a letter, in the nature of a protest, from the director of the Irish National Bureau, of Washington, D. C., which I ask to have read.

The VICE PRESIDENT. Without objection, the Secretary will read.

The Secretary read as follows:

IRISH NATIONAL BUREAU,
Washington, D. C., October 20, 1919.

HON. HENRY CABOT LODGE,
Chairman Committee on Foreign Relations,
United States Senate.

DEAR SIR: The resolution offered Friday, October 17, by Senator WALSH of Montana, wherein is sought an expression of opinion by the Senate that following ratification of the

league of nations covenant and the peace treaty "the state of affairs in Ireland and the right of its people to self-government be presented by the United States to the council or assembly of the league," should be understood by the Committee on Foreign Relations and the Senate as in no sense sanctioned by those who, on August 30, appeared before the Foreign Relations Committee and spoke in behalf of the 20,000,000 Americans of Irish blood.

Ireland was denied a hearing at Paris, though the United States Senate, by a vote of 60 to 1, adopted a resolution asking for a hearing. That resolution was stronger than the resolution now offered by the Senator from Montana. It was the voice of the American people speaking in behalf of a small nation bowed down by oppression.

The oppressor had no difficulty by diplomatic wiles in prevailing on the American delegates to ignore the resolution of the United States Senate.

If the league of nations covenant containing the objectionable provisions supported by Senator WALSH of Montana is ratified, Great Britain will have six votes and the United States one. It is ludicrous to expect justice before a court so constituted, and more particularly when the power, the voice, and the vote of the delegate from the United States would be controlled absolutely by the same influences that contemptuously ignored the Senate's prior resolution and denied the hearing then asked.

Offer at this time of a resolution asking for a hearing after the court has been packed and the oppressing nation has the United States entangled into an alliance which compels the United States to abide by the decision of the packed court can not be viewed by those authorized to speak for the 20,000,000 Americans of Irish blood as an act springing from a sincere desire to aid Ireland. Rather must it be viewed as an instance of "drawing the red herring across the trail," and an attempt to divide forces which unitedly are striving to save America as well as Ireland.

All who are vested by the Republic of Ireland with authority to speak for the people of Ireland, and all who have earnestly, during the past few months, also for years, voiced the judgment, views, and declared wishes of Americans asking that Ireland be accorded justice, have time and again protested that article 11, quoted by Senator WALSH of Montana, does not provide the relief he seeks to read from its wording.

The judgment and views of those who rightfully speak for Ireland should be respected by Senator WALSH of Montana. They would prefer that he should share the conclusion of Senator DAVID I. WALSH, of Massachusetts, who, of recent date, declared on the floor of the Senate:

"I regret to say that I am convinced that there is no agency created or provision made in the covenant which gives the slightest hope of the league of nations ever amicably adjusting the problems of submerged peoples. I refuse to mislead them by suggesting possible opportunities for hearings or adjustments when no such provisions are contained in the document before us."

The Irish National Bureau being authorized to speak officially for the Friends of Irish Freedom and federated bodies, may I respectfully ask that this communication be read or otherwise presented to the attention of the Senate.

Respectfully, yours,

DANIEL T. O'CONNELL,
Director Irish National Bureau.

Mr. LODGE. I also present resolutions of the Patrick H. Pearse Branch of the Friends of Irish Freedom, of Washington, D. C., in which they register their opposition to the scheme of the resolution of the Senator from Montana [Mr. WALSH] and urge the Senate to vote it down. I ask that the resolutions may be printed in the RECORD without reading.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

Whereas Senator THOMAS J. WALSH of Montana, on the 17th day of October, 1919, introduced and had read in the United States Senate a resolution which is hereto annexed and made a part of this resolution; and

Whereas the purpose of the resolution was and is to delude the unwary; to impose upon the true friends of peace; to obscure the real question of freedom for Ireland and other small nations, now the issue between the watchdogs of power and the champions of self-determination for all small nations; to serve partisan politics as against the integrity of the American Republic; to put the mongrel flag of internationalism before the Stars and Stripes, our national emblem; to prefer the rule of might in the place of the rule of right; to disregard the advice of Washington in regard to foreign and entangling alliances; and to throw into the discard the Declaration of Independence, the Constitution of the United States, and the Monroe doctrine for the rule of force as expressed in the league of nations; and

Whereas in this, the age of commercialism and shams, the United States is not without champions for the perpetuation of our institutions, which were born of the Declaration of Independence and saved by the surrender of Cornwallis at Yorktown and our victory of 1812; and